B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Members of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) (the "Company") which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2022, and its profit and other comprehensive loss, changes in equity 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 directors' report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

Management's and Board of Directors' Responsibilities 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 other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of 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 (including other comprehensive income), the standalone statement of changes in equity and the 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 Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the Note 50 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or

- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 50 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

AMAR SUNDER

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Date: 2022.10.18 21:03:08 +05'30'

Amar Sunder

Partner

Place: Mumbai

Membership No.: 078305

Date: 18 October 2022

ICAI UDIN:22078305BAECRU3749

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified annually. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

(All amount in Rs millions)

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
June 2021	Citi Bank, RBL,	Inventory	2,720.83	2,488.29	232.55

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022 *(Continued)*

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
	HDFC,ICICI				
June 2021	Citi Bank, RBL, HDFC,ICICI	Trade receivables	3,006.22	2,962.44	43.78
June 2021	Citi Bank, RBL, HDFC,ICICI	Advance to vendors	2,692.41	2,631.16	61.25
Sep 2021	Citi Bank, RBL, HDFC,ICICI, HSBC	Inventory	7,323.01	1,715.93	5,607.08
Sep 2021	Citi Bank, RBL, HDFC,ICICI, HSBC	Trade receivables	6,352.63	8,623.95	(2,271.32)
Sep 2021	Citi Bank, RBL, HDFC,ICICI, HSBC	Advance to vendors	3,117.39	4,673.68	(1,556.29)
Dec 2021	Citi Bank, RBL, HDFC,ICICI, HSBC,SCB	Inventory	7,935.08	6,693.71	1,241.37
Dec 2021	Citi Bank,	Trade receivables	4,286.16	4,242.01	44.15

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022 *(Continued)*

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
	RBL, HDFC,ICICI, HSBC,SCB				
Dec 2021	Citi Bank, RBL, HDFC,ICICI, HSBC,SCB	Advance to vendors	1,473.62	1,387.65	85.97
March 2022	Citi Bank, RBL, HDFC ICICI, HSBC,SCB	Inventory	5,457.34	5,551.31	(93.37)
March 2022	Citi Bank, RBL, HDFC ICICI, HSBC,SCB	Trade receivables	3,227.37	3,807.74	(580.37)
March 2022	Citi Bank, RBL, HDFC,ICICI, HSBC,SCB	Advance to vendors	1,696.85	1,564.90	131.95

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and granted unsecured loans to companies and other parties, in respect of which the requisite information is as below. The Company has not made any investments in or granted any loans, secured or unsecured, to firms and limited liability partnership.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to subsidiary companies and employees as below:

(All amount in Rs millions)

Particulars	Loans
Aggregate amount during the year Subsidiaries* Others **	 31.69 15.05
Balance outstanding as at balance sheet date - 31 March 2022 Subsidiaries* Others **	 27.00 7.21

**As per the Companies Act, 2013*

** Others represents loans to employees as per the policies/practice of the Company.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of unsecured loans are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loans of Rs. 27 million and Rs. 4.69 million given to wholly owned subsidiary companies, Dive Marketing Private Limited and HOB Ventures Private Limited, respectively, which are repayable on demand. As informed to us, the Company has not demanded repayment of the loan and interest thereon during the year from Dive Marketing Private Limited. The Company has received repayment when demanded of the loan along with interest thereon from HOB Ventures Private Limited prior to 31 March 2022. Thus, there has been no default on the part of the parties to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"). Further, the Company has not given any advances in the nature of loans to any party.

(All amount in Rs millions)

	Related Parties
Aggregate of loans - Repayable on demand (A) - Agreement does not specify any terms or period of Repayment (B)	 31.69 -
Total (A+B)	31.69
Percentage of loans to the total loans granted	67.80%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not provided any guarantee or security as specified under Sections 185 and 186 of the Act. In respect of the investments made and loans given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with. The Company has not granted loans, nor made any investments to which the provisions of Section of 185 of the Act apply.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(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 the products sold by the Company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund and Duty of Customs

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Duty of Customs which have not been deposited on account of any dispute are as follows:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022 *(Continued)*

(All amount in Rs Millions)

Name of the statute	Nature of the dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
Customs Act,1962	Custom Duty, (including Interest and penalty, if applicable	341.98	-	June 2019 to December 2020	Comm. of Customs (Import) ACC Sahar

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of equity shares and compulsorily convertible preference shares during the year. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 and 62 of the Act. 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.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC. Accordingly, clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022 *(Continued)*

of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, the Company has transferred unspent amount to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

(b) According to the information and explanations given to us, the Company did not have any ongoing projects. Accordingly, clause 3(xx)(b) of the Order is not applicable.

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

Chartered Accountants

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

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Date: 2022.10.18 21:03:55 +05'30'

Amar Sunder

Partner

Place: Mumbai

Membership No.: 078305

Date: 18 October 2022

ICAI UDIN:22078305BAECRU3749

Annexure B to the Independent Auditor's Report on the standalone financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022

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 Act

(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 financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) ("the Company") as of 31 March 2022 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 financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to 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 and Board of Directors' Responsibilities 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Annexure B to the Independent Auditor's Report on the standalone financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022 *(Continued)*

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 Financial Statements

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

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

Chartered Accountants

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

AMAR SUNDER

Digitally signed by AMAR SUNDER
Date: 2022.10.18 21:04:29 +05'30'

Amar Sunder

Partner

Place: Mumbai

Membership No.: 078305

Date: 18 October 2022

ICAI UDIN:22078305BAECRU3749

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Standalone Balance Sheet
As at 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	3	26.03	17.47	9.03
Right-of-use assets	4	130.36	97.28	53.84
Other intangible assets	5	44.03	48.92	-
Intangible assets under development	5	81.67	-	-
Financial assets				
Investments in Subsidiaries and Associate	6	2,336.74	-	50.00
Other Investments	7	26.98	24.48	23.31
Other financial assets	8	42.71	17.41	14.30
Non-current tax assets (net)	9	81.72	0.04	8.29
Deferred tax assets (net)	9	31.29	26.10	-
TOTAL NON-CURRENT ASSETS		**2,801.53**	**231.70**	**158.77**
CURRENT ASSETS				
Inventories	11	5,457.34	3,088.23	749.58
Financial assets				
Trade receivables	12	3,227.37	754.83	552.75
Cash and cash equivalents	13	302.22	1,443.93	73.15
Bank balance other than cash and cash equivalents	14	1,575.84	45.00	12.50
Loans	15	34.21	0.59	0.93
Other financial assets	8	2,523.80	6.05	2.25
Other current assets	10	2,819.69	1,213.94	361.74
TOTAL CURRENT ASSETS		**15,940.48**	**6,552.57**	**1,752.90**
TOTAL ASSETS		**18,742.01**	**6,784.27**	**1,911.67**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	16	96.04	0.45	0.50
Instruments entirely equity in nature	16	108.71	93.09	-
Other equity	17	5,896.75	4,548.14	721.46
TOTAL EQUITY		**6,101.50**	**4,641.68**	**721.96**
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	18	-	-	134.80
Lease liabilities	19	94.30	77.05	41.41
Provisions	20	6.34	2.02	0.79
Deferred tax liabilities (net)	9	-	-	0.85
TOTAL NON-CURRENT LIABILITIES		**100.64**	**79.07**	**177.85**
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	18	9,211.32	415.33	353.31
Lease liabilities	19	41.36	24.57	13.49
Trade payables				
Total outstanding dues of micro enterprise and small enterprises	21	24.43	30.57	3.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	2,164.26	1,175.27	339.62
Other financial liabilities	22	8.11	30.74	10.15
Other current liabilities	23	38.35	83.05	19.72
Provisions	20	1,052.04	208.54	176.85
Current tax liabilities (net)	9	-	95.45	94.84
TOTAL CURRENT LIABILITIES		**12,539.87**	**2,063.52**	**1,011.86**
TOTAL LIABILITIES		**12,640.51**	**2,142.59**	**1,189.71**
TOTAL EQUITY AND LIABILITIES		**18,742.01**	**6,784.27**	**1,911.67**

Basis of preparation, measurement and significant accounting policies 2

The accompanying notes 3 to 51 are an integral part of these Standalone Financial Statements.

As per our report of even date attached

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

AMAR SUNDER Digitally signed by AMAR SUNDER Date: 2022.10.18 21:05:24 +05'30'

Amar Sunder
Partner
Membership No: 078305

For and on behalf of the Board of Directors of
Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)
CIN: U52300MH2013PLC249758

AMAN GUPTA Digitally signed by AMAN GUPTA Date: 2022.10.18 20:08:58 +05'30'

SAMEER ASHOK MEHTA Digitally signed by SAMEER ASHOK MEHTA Date: 2022.10.18 20:01:37 +05'30'

VIVEK GAMBHIR Digitally signed by VIVEK GAMBHIR Date: 2022.10.18 19:59:35 +05'30'

Aman Gupta
Director
DIN: 02249682

Sameer Mehta
Director
DIN: 02945481

Vivek Gambhir
Director & CEO
DIN: 06527810

ANKUR SHARMA Digitally signed by ANKUR SHARMA Date: 2022.10.18 20:14:10 +05'30'

MUKESH RADHESHYAM RANGA

Ankur Sharma
Chief Financial Officer

Mukesh Ranga
Company Secretary

Mumbai, 18 October 2022

Mumbai, 18 October 2022

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Standalone Statement of Profit and Loss

For the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

Particulars	*Notes*	Year ended 31 March 2022	Year ended 31 March 2021
INCOME			
Revenue from operations	*24*	28,729.01	13,138.03
Other income	*25*	135.07	65.72
TOTAL INCOME		**28,864.08**	**13,203.75**
EXPENSES			
Purchases of stock-in-trade	*26*	25,847.78	12,547.02
Changes in inventories of stock-in-trade	*27*	(2,369.11)	(2,338.65)
Employee benefits expense	*28*	519.94	149.20
Finance costs	*29*	332.89	118.78
Depreciation and amortisation expense	*30*	65.81	31.98
Other expenses	*31*	3,376.35	1,519.90
TOTAL EXPENSES		**27,773.66**	**12,028.23**
Profit before tax		**1,090.42**	**1,175.52**
Tax expense	*9*		
Current tax		306.88	327.33
Deferred tax		(4.66)	(10.51)
Total tax expense		**302.22**	**316.82**
PROFIT FOR THE YEAR (A)		**788.20**	**858.70**
OTHER COMPREHENSIVE LOSS			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans		(2.12)	(0.01)
Income tax relating to these items		0.53	0.00
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX (B)		**(1.59)**	**(0.01)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		**786.61**	**858.69**
Earnings per equity share (face value of Re. 1 each)			
Basic (Rs.)	*32*	5.85	8.46
Diluted (Rs.)	*32*	5.84	7.91
Basis of preparation, measurement and significant accounting policies	*2*		

The accompanying notes 3 to 51 are an integral part of these Standalone Financial Statements.

As per our report of even date attached

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

AMAR SUNDER Digitally signed by AMAR SUNDER Date: 2022.10.18 21:05:59 +05'30'

Amar Sunder
Partner
Membership No: 078305

Mumbai, 18 October 2022

For and on behalf of the Board of Directors of
Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)
CIN: U52300MH2013PLC249758

AMAN GUPTA Digitally signed by AMAN GUPTA Date: 2022.10.18 20:09:27 +05'30'

Aman Gupta
Director
DIN: 02249682

SAMEER ASHOK MEHTA Digitally signed by SAMEER ASHOK MEHTA Date: 2022.10.18 20:03:00 +05'30'

Sameer Mehta
Director
DIN: 02945481

VIVEK GAMBHIR Digitally signed by VIVEK GAMBHIR Date: 2022.10.18 19:59:50 +05'30'

Vivek Gambhir
Director & CEO
DIN: 06527810

ANKUR SHARMA Digitally signed by ANKUR SHARMA Date: 2022.10.18 20:14:27 +05'30'

Ankur Sharma
Chief Financial Officer

MUKESH RADHESHYAM RANGA Digitally signed by MUKESH RADHESHYAM RANGA Date: 2022.10.18 20:17:23 +05'30'

Mukesh Ranga
Company Secretary

Mumbai, 18 October 2022

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Statement of Changes in Equity for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Number of Shares	Amount
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
Equity Shares of ₹ 1/- each fully paid up		
Balance at 1 April 2020	**50,000**	**0.05**
Changes in equity share capital during the year due to prior period errors	-	-
Restated Balance at 1 April 2020	**50,000**	**0.05**
Changes in equity share capital during the year	(4,934)	(0.00)
Balance at 31 March 2021	**45,066**	**0.05**
Changes in equity share capital during the period due to prior period errors	-	-
Restated Balance at 31 March 2021	**45,066**	**0.05**
Changes in equity share capital during the year	8,65,05,300	86.51
Balance at 31 March 2022	**8,65,50,366**	**86.55**

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

	Series A CCPS *		Series B CCPS **	
Particulars	**Number of Shares**	**Amount #**	**Number of Shares**	**Amount ##**
ISSUED, SUBSCRIBED AND PAID UP CAPITAL				
Balance at 1 April 2020	-	-	-	-
Changes in Preference share capital during the period due to prior period errors	-			
Restated Balance at 1 April 2020	-	-	-	-
Changes in preference share capital during the year	5,109	0.05	15,507	93.04
Balance at 31 March 2021	**5,109**	**0.05**	**15,507**	**93.04**
Changes in Preference share capital during the period due to prior period errors	-	-	-	-
Restated Balance at 31 March 2021	**5,109**	**0.05**	**15,507**	**93.04**
Changes in preference share capital during the year	-	-	1,762	10.57
Balance at 31 March 2022	**5,109**	**0.05**	**17,269**	**103.61**

Note: 5,109 Compulsorily Convertible Preference Shares of Rs. 10 each were classified as compound financial instrument on the date of issue. With effect from 5 January 2021, the same have been reclassified as Instrument completely in the nature of Equity. (refer note 16(h) for further details)

* Series A CCPS represents 0.01% Non-cumulative compulsorily convertible prefernce shares of Rs 10 each, fully paid up
** Series B CCPS represents 0.01% Cumulative compulsorily convertible prefernce shares of Rs 6,000 each, fully paid up

Series A CCPS - Total proceeds received of Rs. 210 million in FY 2018-19 on fresh issuance of Series A CCPS which was classified as compound financial instruments up to 4 January 2021. Refer note 16(h)
Series B CCPS - Total proceeds received of Rs. 4,400.09 million in FY 2020-21 and Rs. 499.96 million during the year ended 31 March 2022 on fresh issuance of Series B CCPS.

C. OTHER EQUITY

Particulars	Equity component of compound financial instruments	Reserves and Surplus						Total Other Equity
		Securities Premium	Debenture Redemption Reserve	Capital redemption reserve	General reserve	Share Options Outstanding Account	Retained earnings	
Balance at 1 April 2020	**69.34**	**-**	**11.25**	**-**	**-**	**3.00**	**637.87**	**721.46**
Profit for the year	-	-	-	-	-	-	858.70	858.70
Other comprehensive income for the year	-	-	-	-	-	-	(0.01)	(0.01)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**858.69**	**858.69**
Securities premium on preference shares issued	-	4,307.05	-	-	-	-	-	4,307.05
Securities premium on account of change in classification of compound financial instrument	-	209.95	-	-	-	-	-	209.95
Expenses incurred directly in connection with issue of CCPS	-	(91.52)	-	-	-	-	-	(91.52)
Securities premium utilised for buy back of equity shares	-	(1,135.45)	-	-	-	-	-	(1,135.45)
Securities premium transferred to capital redemption account on buy back of equity shares	-	(0.05)	-	0.05	-	-	-	-
Buy back distribution tax	-	-	-	-	-	-	(264.52)	(264.52)
Share-based payments to employees	-	-	-	-	-	11.82	-	11.82
Reversal of deferred tax originally recognised on equity component of compound financial instrument on reclassification	16.44	-	-	-	-	-	-	16.44
Reclassification of Equity component of CCPS from Other equity to Instruments entirely Equity in nature	(85.78)	-	-	-	-	-	-	(85.78)
Transferred to general reserve	-	-	(11.25)	-	11.25	-	-	-
Balance at 31 March 2021	**-**	**3,289.98**	**-**	**0.05**	**11.25**	**14.82**	**1,232.04**	**4,548.14**
Profit for the year	-	-	-	-	-	-	788.20	788.20
Other comprehensive income for the year	-	-	-	-	-	-	(1.59)	(1.59)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**786.61**	**786.61**
Securities premium on preference shares issued	-	489.39	-	-	-	-	-	489.39
Securities premium on Equity shares issued	-	19.54						19.54
Expenses incurred directly in connection with issue of CCPS	-	(12.07)	-	-	-	-	-	(12.07)
Utilised for issue of bonus shares	-	(99.80)	-	(0.05)	-	-	-	(99.85)
Share-based payments to employees	-	-	-	-	-	155.72	-	155.72
Issue of equity shares on exercise of employee stock options	-	17.81	-	-	-	(8.54)	-	9.27
Balance at 31 March 2022	**-**	**3,704.85**	**-**	**-**	**11.25**	**162.00**	**2,018.65**	**5,896.75**

Refer note 17B for nature and purpose of reserves.

The accompanying notes 3 to 51 are an integral part of these Standalone Financial Statements.

As per our report of even date attached

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

AMAR SUNDER Digitally signed by AMAR SUNDER Date: 2022.10.18 21:06:46 +05'30'

Amar Sunder
Partner
Membership No: 078305

Mumbai, 18 October 2022

For and on behalf of the Board of Directors of
Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)
CIN: U52300MH2013PLC249758

AMAN GUPTA Digitally signed by AMAN GUPTA Date: 2022.10.18 20:09:56 +05'30'

Aman Gupta
Director
DIN: 02249682

SAMEER ASHOK MEHTA Digitally signed by SAMEER ASHOK MEHTA Date: 2022.10.18 20:03:14 +05'30'

Sameer Mehta
Director
DIN: 02945481

VIVEK GAMBHIR Digitally signed by VIVEK GAMBHIR Date: 2022.10.18 20:00:06 +05'30'

Vivek Gambhir
Director & CEO
DIN: 06527810

ANKUR SHARMA Digitally signed by ANKUR SHARMA Date: 2022.10.18 20:14:42 +05'30'

Ankur Sharma
Chief Financial Officer

MUKESH RADHESHYAM RANGA Digitally signed by MUKESH RADHESHYAM RANGA Date: 2022.10.18 20:18:15 +05'30'

Mukesh Ranga
Company Secretary

Mumbai, 18 October 2022

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Standalone Statement of Cash Flows

For the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,090.42	1,175.52
Adjustments for:		
Depreciation and amortisation expense	65.81	31.98
Share based payment expense	155.72	11.82
Interest on fixed deposits	(96.63)	(21.38)
Interest income others	(2.15)	-
Interest on income tax refund	-	(0.64)
Fair valuation (gain)/loss from investments designated at FVTPL	(2.51)	(1.17)
Liabilities no longer required, written back	(0.45)	(0.03)
Provisions no longer required, written back	(6.41)	(14.33)
Gain on derecognition of liability component of CCPS	-	(20.43)
Gain on waiver of lease liabilities	-	(3.35)
Gain on derecognition of leases	(1.70)	-
Finance cost	332.89	118.78
Provision for impairment of non-current investment	-	50.00
Provision for loss allowance for trade receivables	7.05	-
Provision for doubtful advances	38.16	28.63
Provision for doubtful interest receivable on trade advance	-	1.77
Provision for slow and non moving inventory	86.61	168.30
Provision for warranty	484.88	181.94
Provision for expected return liability	550.00	20.95
Unrealised foreign exchange (gain) / loss	8.00	(11.78)
Operating profit before working capital changes	**2,709.69**	**1,716.58**
Adjustments for :		
(Increase) in inventories	(2,455.72)	(2,506.95)
(Increase) in trade receivables	(2,479.59)	(187.75)
(Increase)/Decrease in loans	(4.48)	0.34
(Increase) in other financial assets	(2,460.09)	(5.14)
(Increase) in other current assets	(1,637.05)	(880.83)
Increase in trade payables	974.84	873.06
(Decrease)/Increase in other financial liabilities	(29.53)	9.15
(Decrease) in other current liabilities	(44.70)	63.33
(Decrease) in current and non-current provisions	(187.06)	(169.97)
Cash (used in) operations	**(5,613.68)**	**(1,088.18)**
Taxes paid (net of refunds)	(484.01)	(332.83)
Net Cash flows (used in) operating activities (A)	**(6,097.69)**	**(1,421.01)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment made in equity shares of subsidiaries	(2,336.73)	-
Purchase of tangible assets	(24.74)	(16.40)
Purchase of intangible assets	-	(35.50)
Intangible assets under development	(77.89)	-
Loan given to subsidiaries	(31.69)	-
Repayment of loan from subsidiaries	4.69	-
Fixed deposits placed	(1,575.84)	(45.00)
Fixed deposits matured	45.00	12.50
Interest on fixed deposits	13.67	17.84
Net cash flow (used in) investing activities (B)	**(3,983.53)**	**(66.56)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of preference shares, including securities premium	499.96	4,400.09
Proceeds from issue of equity shares, including securities premium	29.99	-
Expenses incurred for issuance of preference share capital	(12.07)	(91.52)
Payment towards buy back of equity shares	-	(1,135.50)
Payment towards distribution tax on buy back of equity shares	-	(264.52)
Repayment towards debentures	-	(112.50)
Proceeds from term loan	-	100.00
Repayment towards term loan	(58.82)	(60.00)
Proceeds from short-term borrowings other than cash credit (net)	8,843.46	145.72
Repayment of lease liabilities	(44.05)	(19.26)
Interest and other borrowing costs paid	(318.96)	(92.96)
Net cash flow generated from financing activities (C)	**8,939.51**	**2,869.55**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(1,141.71)**	**1,381.98**
Cash and cash equivalents at the beginning of the year	**1,443.93**	**61.95**
Cash and cash equivalents at the end of the year (refer note below)	**302.22**	**1,443.93**

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Standalone Statement of Cash Flows
For the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Components of cash and cash equivalents:		
Cash on hand	0.72	0.07
Balance with banks		
In current accounts	301.50	42.00
In deposits with original maturity of less than 3 months	-	1,401.86
Total cash and cash equivalents (refer note 13)	**302.22**	**1,443.93**

The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities:

	Opening balance 1 April 2021	Cash flows	Non- cash movement	Closing balance 31 March 2022
Long-term borrowings (including current maturities)	58.82	(58.82)	-	-
Loan repayable on demand	356.51	8,854.81	-	9,211.32
Leases	101.62	(44.05)	78.09	135.66
Total liabilities from financing activities	**516.95**	**8,751.94**	**78.09**	**9,346.99**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities:

	Opening balance 1 April 2020	Cash flows	Non- cash movement	Closing balance 31 March 2021
Long-term borrowings (including current maturities)	266.12	(72.50)	(134.80)	58.82
Loan repayable on demand	210.79	145.72	-	356.51
Leases	54.90	(19.26)	65.98	101.62
Total liabilities from financing activities	**531.81**	**53.96**	**(68.82)**	**516.95**

Non-cash movement represents:
- With respect to long-term borrowings, accrual of interest on liability component of compound financial instruments and reclassification of liability component to Instrument entirely equity in nature (Refer note 16(h)).
- With respect to leases, accrual of interest on lease liabilities.

During the year, the Company has converted 2,559 Series A CCPS to 2,559 equity shares of Rs 10 each. The same has been treated as non-cash items and accordingly not reflected in the Standalone Statement of Cash Flows. (Refer note 16)

Refer note 31 (ii) for amount spent towards corporate social responsibility

The accompanying notes 3 to 51 are an integral part of these Standalone Financial Statements.

As per our report of even date attached

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

AMAR SUNDER Digitally signed by AMAR SUNDER Date: 2022.10.18 21:07:28 +05'30'

Amar Sunder
Partner
Membership No: 078305

For and on behalf of the Board of Directors of
Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)
CIN: U52300MH2013PLC249758

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SAMEER ASHOK MEHTA Digitally signed by SAMEER ASHOK MEHTA Date: 2022.10.18 20:04:42 +05'30'
VIVEK GAMBHIR Digitally signed by VIVEK GAMBHIR Date: 2022.10.18 20:04:03 +05'30'

Aman Gupta
Director
DIN: 02249682

Sameer Mehta
Director
DIN: 02945481

Vivek Gambhir
Director & CEO
DIN: 06527810

ANKUR SHARMA Digitally signed by ANKUR SHARMA Date: 2022.10.18 20:14:58 +05'30'
MUKESH RADHESHYAM RANGA Digitally signed by MUKESH RADHESHYAM RANGA Date: 2022.10.18 20:18:35 +05'30'

Ankur Sharma
Chief Financial Officer

Mukesh Ranga
Company Secretary

Mumbai, 18 October 2022

Mumbai, 18 October 2022

1 Company Information

Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited *) (“ Company”) was incorporated on 1 November 2013 under the erstwhile Companies Act, 1956. The registered office of the Company is in Mumbai, Maharashtra, India. The principal place of business of the Company is in India. The Company is engaged in the business of trading of digital-first consumer technology products such as headphones, earphones, speakers, wearables and related accessories.

* the Company has changed its name from Imagine Marketing Private Limited to Imagine Marketing Limited based on the approval from Registrar of Companies, Maharashtra and accordingly it has become a public limited company.

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

A. Statement of Compliance

The Standalone Financial Statements of the Company comprise of Balance Sheet as at 31 March 2022, Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended 31 March 2022 (hereinafter collectively referred to as “Standalone Financial Statements”).

These Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Standalone Financial Statements up to and for the year ended 31 March 2021 were prepared in accordance with the Companies (Accounting Standard) Rules, 2006 notified under section 133 of the Act and other relevant provision of the Act.

As these are the Company first Standalone Financial Statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the cash flow of the Company is provided in Note 44.

These Standalone Financial Statements were approved by the Board of Directors of the Company in their meeting held on 18 October 2022.

B. Basis of preparation

The accounting policies set out below have been applied consistently to the years presented in the Standalone Financial Statements.
These Standalone Financial Statements have been prepared as a going concern on the basis

C. Basis of measurement

The Standalone Financial Statements have been prepared on a historical cost convention, except for the following:
(i) Employee's defined benefit plan at fair value of plan assets less present value of defined benefit obligation determined as per actuarial valuation;
(ii) Certain financial assets and liabilities that are qualified to be measured at fair value; and
(iii) Share based payments at fair value of the options on the date of the grant.

D. Functional currency and presentation

The Standalone Financial Statements has been presented in Indian Rupees (Rs.), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest millions and decimals thereof, unless otherwise mentioned.

E. Use of estimates, assumptions and judgements

The preparation of Standalone Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent liabilities on the date of Standalone Financial Statements and the reported amount of income and expenses for the year reported. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Assumption and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the amounts recognised in the Standalone Financial Statementss is included in the following notes:
- Note 2.2 (e) - Impairment test of non-financial assets and financials assets
- Note 2.2 (j) - Measurement of defined benefit obligations: key actuarial assumptions
- Note 2.2 (m) - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 2.2 (n) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2.2 (f) and 2.2 (o) - Provision for obsolete inventory and provision for warranties

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation and measurement *(continued)*

E. Current and non-current classification

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

An asset is treated as current when it is:
• Expected to be realized or intended to be sold or consumed in normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period, or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

A liability is treated as current when:
• It is expected to be settled in normal operating cycle,
• It is held primarily for the purpose of trading,
• It is due to be settled within twelve months after the reporting period, or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

F. Fair value measurement

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.2 Summary of significant accounting policies

(a) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized. The Company has a single stream of revenue i.e. Sale of products.

Sale of products
The Company recognises revenue at a point in time when the performance obligation is satisfied, i.e. when 'control' of the goods underlying the particular performance obligation are transferred to the customer. Customers obtain control of the good when the goods are delivered at the agreed point of delivery which generally is the premises of the customer.
Further, revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Variable consideration
If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Right of return
The Company provides a customer with a right to return in case of any defects or on grounds of quality. The Company based on expected value of returns estimates the goods that will be returned by the customer. For goods that are expected to be returned, the Company recognizes a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer.

Contract balances
Contract assets: The Company classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current asset. Trade receivables and unbilled revenue is presented net of impairment.

Contract liabilities: A contract liability (which we referred to as Unearned Revenue) is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received.
Trade receivables: A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets for guidance on recognition and measurement. The credit period offered to customers generally ranges from 30 days to 60 days.

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies *(continued)*

(b) Recognition of dividend income, interest income or expense

Interest income or expense is recognised using the effective interest method.
The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income is recognised in the Standalone statement of profit and loss on the date on which the Company's right to receive payment is established.

(c) Property, Plant and Equipment

Recognition and measurement
The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the subsequent expenditure can be measured reliably.

Items such as spare parts, stand-by equipment and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the Standalone statement of profit and loss as and when incurred.

Capital work in progress and Capital advances:
Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

Depreciation and useful lives
Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on Property, Plant and Equipment is calculated on the depreciable amount using the written down value method using the rates arrived at based on the useful lives estimated by the management as prescribed in Schedule II of the Companies Act, 2013, or as per technical assessment.

Tangible Asset	**Useful Life**
Plant and Equipment	2 years
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
Derecognition
An item of property, plant and equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Standalone statement of profit and loss when the asset is derecognised.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at 1 April 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e.1 April 2020. Also, refer note 3 (v).

(d) Intangible assets

Recognition and measurement
Intangible assets comprise primarily of brands. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in the statement of profit and loss as incurred.

Amortisation
Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight line method, and is included in the Depreciation and Amortisation expense in the Statement of profit and loss. The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible Asset	**Useful Life**
Brands	10 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Standalone statement of profit and loss when the asset is derecognised.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of intangible assets recognized as at 1 April 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies *(continued)*

(e) Impairment

(i) Non-financial assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group/ class of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group/ Class of assets is considered as a cash generating unit (CGU). If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss.

Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is reversed in the Standalone statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

(ii) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodolody applied depends on whether there has been a significant increase in credit risk. The Company recognises loss allowances using the expected credit loss (ECL) model as per Ind AS 109 for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible defaults events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.
The Company considers a financial asset to be in default when:
- the counter party is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off during the year.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparision of cost and net realisable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolescence, damage or slow moving items. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

(g) Financial Instruments

Financial Assets

i) Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction cost that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

On initial recognition, a financial instrument is classified and measured at
• Amortised cost
• Fair value through other comprehensive income (FVOCI) - debt instruments;
• Fair value through other comprehensive income (FVOCI) - equity investments; or
• Fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
• The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
• The contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
• The asset is held within a business model whose objective is achieved by both collect contractual cash flows and selling financial assets; and
• The contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets, if any. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies *(continued)*

(g) Financial Instruments *(continued)*

Financial Assets *(continued)*

Subsequent measurement and gains and losses

Financial assets at FVTPL:
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in profit or loss.

Financial assets at amortised cost:
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVTOCI:
These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI:
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

iii) Derecognition of financial assets
A financial asset is derecognized only when:
- The Company has transferred the rights to receive cash flows from financial asset or
- Retains the contractual rights to receive the cash flows from financial asset but assumed a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial liability

i) Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost. All financial liabilities are recognized initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to Standalone statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Standalone statement of profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

Amortised cost
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Standalone statement of profit and loss.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Standalone statement of profit or loss.

Offsetting
Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Compound financial instruments
Compound financial instruments issued by the Company comprise convertible preference shares denominated in INR that can be converted to equity shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies *(continued)*

(h) Cash and cash equivalents

Cash and cash equivalent includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts and cash credits which are repayable on demand form an integral part of Company's cash management and are included as a component of cash and cash equivalents.

(i) Foreign Currency transactions and translations

Foreign currency transactions and translations are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Standalone statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in Standalone statement of profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:
• equity investments at fair value through OCI (FVOCI)
• a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
• qualifying cash flow hedges to the extent that the hedges are effective.

(j) Employee Benefits

(i) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified contributions towards Government administered provident fund scheme, labour welfare fund and employees' state insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(ii) Defined Benefit Plan

The Company’s gratuity plan is a defined benefit plan. The Company’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the Standalone statement of other comprehensive income in the period in which they occur and not reclassified to the Standalone statement of profit and loss in the subsequent period. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense related to defined benefit plans are recognised under "Finance costs" in the Standalone statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Standalone statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the Standalone statement of profit and loss.

(iii) Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

(iv) Other long-term employee benefits:

The Company's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurements gains or losses are recognised in the Standalone statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

(v) Equity settled share based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Standalone Statement of Profit and Loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies *(continued)*

(k) Borrowing Costs

Borrowing costs include:
(i) interest expense calculated using the effective interest rate method;
(ii) finance charges in respect of leases;
(iii) interest expenses on bill discounting; and
(iv) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
All other borrowing costs are recognised in the Standalone statement of profit and loss in the period in which they are incurred.

(l) Leases

Effective 1 April 2020 (date of transition to Ind AS in accordance with the transition provision specified under Ind AS 101), the Company has applied Ind AS 116. For the purpose of preparation of Standalone Financial Statements, the management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for the year ended 31 March 2020. Hence in these Standalone Financial Statements, Ind AS 116 has been adopted with effect from 1 April 2020 recognising right-of-use assets and lease liabilities from the date of commencement of each leases.

The Standalone Financial Statements for the year ended 31 March 2021 have been prepared after incorporating Ind AS adjustments (both re-measurements and reclassifications) to be made in accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2020) following accounting policies consistent with that used at the date of transition to Ind AS. The Ind AS adjustments as described above are more fully described in Note 44 to the Standalone Financial Statements.

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset.

The Company also applied the available practical expedients wherein it:
• Used a single discount rate to a portfolio of leases with reasonably similar characteristics
• Relied on its assessment of whether leases are onerous immediately before the date of initial application
• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
• Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Right-of-use assets
The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liability
At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Company has applied the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets recognition exemption.

(m) Income Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of significant accounting policies *(continued)*

(m) Income Taxes *(continued)*

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(n) Provisions, Contingent liabilities and Contingent assets

(i) General provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Standalone Statements of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ii) Onerous contract

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

(iii) Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

(iv) Contingent assets
Contingent assets are neither recognised nor disclosed in the Standalone financial Statementss. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(o) Warranties

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.

(p) Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the owners of the Company for the year by the weighted average number of equity shares outstanding during the reporting period (including instruments entirely equity in nature). The diluted earnings per share is computed by dividing the profit attributable to equity holders (after adjusting the cost recognised during the period for convertible instruments) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

(q) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer who is designated the chief operating decision maker (CODM). The Company has identified reportable segments based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete Financial Statements is available. The CODM monitors the operating results of the entity at segment level for the purpose of making decisions about resource allocation and performance assessment.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Other expenses which are not attributable or allocable to segments are disclosed separately. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Standalone financial Statementss. However, the Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis and are not allocated to operating segments. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities.

2.3 Recent accounting developments and pronouncements

Ministry of Corporate Affairs ("MCA"), vide notification dated 23rd March 2022, has made the following amendments to Ind AS which are effective from 1st April, 2022
a. Ind AS 109: Annual Improvements to Ind AS (2021)
b. Ind AS 103: Reference to Conceptual Framework
c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
d. Ind AS 16: Proceeds before intended use
Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its Financial Statementss.

(All amounts are in Rs. million, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment	Furniture and fixtures	Office equipment	Computers	Total
Cost or Deemed Cost					
Gross block					
As at 1 April 2020 *	**-**	**1.32**	**5.34**	**2.37**	**9.03**
Additions	2.97	0.42	6.59	6.42	**16.40**
Deletions	-	-	-	-	**-**
As at 31 March 2021	**2.97**	**1.74**	**11.93**	**8.79**	**25.43**
Additions	2.02	0.59	7.52	14.61	**24.74**
Deletions	-	-	-	-	**-**
As at 31 March 2022	**4.99**	**2.33**	**19.45**	**23.40**	**50.17**
Accumulated depreciation					
As at 1 April 2020 *	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	1.28	0.38	3.08	3.22	**7.96**
Deletions	-	-	-	-	**-**
As at 31 March 2021	**1.28**	**0.38**	**3.08**	**3.22**	**7.96**
Depreciation for the year	1.67	0.45	5.67	8.39	**16.18**
Deletions	-	-	-	-	**-**
As at 31 March 2022	**2.95**	**0.83**	**8.75**	**11.61**	**24.14**
Net Block					
As at 1 April 2020	**-**	**1.32**	**5.34**	**2.37**	**9.03**
As at 31 March 2021	**1.69**	**1.36**	**8.85**	**5.57**	**17.47**
As at 31 March 2022	**2.04**	**1.50**	**10.70**	**11.79**	**26.03**

* Deemed cost (refer footnote (v) below). Also refer note 44 for details regarding first time adoption of Ind AS.

Notes:

(i) The Company has created a charge on its property, plant and equipment for its borrowings (refer to note 18)

(ii) The Company does not own any immovable property.

(iii) The Company has not revalued its property, plant and equipment.

(iv) For details of contractual commitment with respect to property, plant and equipment refer note 34.

(v) Reconciliation of deemed cost to values under previous GAAP:

Particulars	Plant and Equipment	Furniture and fixtures	Office equipment	Computers	Total
Gross block as at 01 April 2020	-	1.81	7.16	5.21	14.18
Accumulated depreciation as at 01 April 2020	-	(0.49)	(1.82)	(2.84)	(5.15)
Deemed cost as at 01 April 2020	**-**	**1.32**	**5.34**	**2.37**	**9.03**

(All amounts are in Rs. million, unless otherwise stated)

4 RIGHT-OF-USE ASSETS

	Buildings	Total
Gross block		
As at 1 April 2020	**63.57**	**63.57**
Additions	64.88	**64.88**
Deletions	(0.87)	**(0.87)**
As at 31 March 2021	**127.58**	**127.58**
Additions	86.42	**86.42**
Deletions	(20.42)	**(20.42)**
As at 31 March 2022	**193.58**	**193.58**
Accumulated depreciation		
As at 1 April 2020	**9.73**	**9.73**
Depreciation for the year	21.44	**21.44**
Deletions	(0.87)	**(0.87)**
As at 31 March 2021	**30.30**	**30.30**
Depreciation for the year	44.74	**44.74**
Deletions	(11.82)	**(11.82)**
As at 31 March 2022	**63.22**	**63.22**
Net Block		
As at 1 April 2020	**53.84**	**53.84**
As at 31 March 2021	**97.28**	**97.28**
As at 31 March 2022	**130.36**	**130.36**

Notes:

(i) The Company has lease contracts for premises obtained for warehousing and office purposes. Leases of premises generally have lease terms between 2 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

(ii) Refer note 19 for disclosures pertaining to lease liabilities.

(iii) The following amounts are recognised in the profit and loss:

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Depreciation expenses of right of use assets (refer note 30)	44.74	21.44
Interest expenses on lease liabilities (refer note 19(i))	10.81	5.53
Expenses relating to short term leases (refer note 31)	16.06	7.33

(iv) The lease agreements for immovable properties where the Company is the lessee are duly executed in favour of the Company.

(v) The Company has not revalued its Right-of-use assets.

(All amounts are in Rs. million, unless otherwise stated)

5 OTHER INTANGIBLE ASSETS

	Brands	Total
Cost		
As at 1 April 2020	-	-
Additions	51.50	51.50
Deletions	-	-
As at 31 March 2021	51.50	51.50
Additions	-	-
Deletions	-	-
As at 31 March 2022	51.50	51.50
Accumulated amortisation		
As at 1 April 2020	-	-
Amoritsation for the year	2.58	2.58
Deletions	-	-
As at 31 March 2021	2.58	2.58
Amoritsation for the year	4.89	4.89
Deletions	-	-
As at 31 March 2022	7.47	7.47
Net Block		
As at 1 April 2020	-	-
As at 31 March 2021	48.92	48.92
As at 31 March 2022	44.03	44.03

Note:

(i) During the year ended 31 March 2021, the Company has purchased "RedGear" 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 million (Refer note 37 for details of related party transactions). Stamp duty expense of Rs. 1.5 million 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.

(ii) The Company has not revalued its intangible assets.

	Total
Intangible Assets under Development	
As at 1 April 2020	-
Additions	-
Capitalised during the year	-
As at 31 March 2021	-
Additions	81.67
Capitalised during the year	-
As at 31 March 2022	81.67

(a) Ageing schedule for Intangible Assets under development

Intangible assets under development	Ageing - Other intantgible asset under development				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	81.67	-	-	-	81.67
Projects temporarily suspended	-	-	-	-	-

(b) For Intangible assets under development, none of the assets are overdue for completion or has exceeded its cost compared to its original plan.

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

6 Investment in Subsidiaries and Associate

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Non-Current			
Unquoted			
Investment in Equity Instruments (measured at cost)			
Investment in Subsidiary Companies			
9,999 (31 March 2021: NIL; 01 April 2020 : NIL) Equity shares of Dive Marketing Private Limited (Subsidiary company) having face value Rs 10 each, fully paid up	0.10	-	-
3,10,10,000 (31 March 2021: NIL; 01 April 2020 : NIL) Equity shares of HOB Ventures Private Limited (Subsidiary company) having face value Rs 10 each, fully paid up	310.10	-	-
2,60,60,000 (31 March 2021: NIL; 01 April 2020 : NIL) Equity shares of Imagine Marketing Singapore Pte Ltd (Subsidiary company) having face value USD 1 (at Rs. 74.80/ USD) each, fully paid up	1,949.29	-	-
10,000 (31 March 2021: NIL; 01 April 2020 : NIL) Equity shares of Kaha Technologies Private Limited (Subsidiary company) having face value Rs 10 each, fully paid up	77.25	-	-
Investment in Associate Company			
3,703 (31 March 2021: 3,703; 01 April 2020 : 3,703) Equity shares of Sirena Labs Private Limited (Associate company) having face value Rs 10 each, fully paid up	50.00	50.00	50.00
Less: Loss allowance (provision for impairment) (Refer note 41) #	(50.00)	(50.00)	-
Total	**2,336.74**	**-**	**50.00**

Note:

(i) The Company 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 was considered to be remote, the management recognised a full provision for impairment as at 31 March 2021. This is settled subsequent to balance sheet date vide settlement agreement dated 31 May 2022

(ii) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(iii) Refer note 35 - Financial instruments, fair values and risk measurement for fair valuation methodology.

7 OTHER INVESTMENTS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Non-Current			
Investments measured at fair value through profit or loss (Quoted)			
Investments in Mutual Funds *	26.98	24.48	23.31
Total	**26.98**	**24.48**	**23.31**
Aggregate amount of quoted investments (at cost)	24.00	24.00	24.00
Market value of quoted investments	26.98	24.48	23.31
Aggregate amount of unquoted investments	2,386.74	50.00	50.00
Aggregate amount of impairment in value of investments #	(50.00)	(50.00)	-

* Mutual funds are provided as lien against Citibank cash credit facility (refer note 18 (iv))

8 OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Non-Current			
Security deposits	42.71	17.41	14.30
Bank deposits with original maturty of more than 12 months and remaining maturity of more than 12 months	-	-	-
Total	**42.71**	**17.41**	**14.30**
Current			
Security deposits	1.08	2.48	0.45
Bank deposits with original maturty of more than 12 months but remaining maturity of less than 12 months	2,436.19	-	-
Others (including interest receivable)	88.30	5.34	1.80
Allowance for interest receivable on trade advance considered doubtful	(1.77)	(1.77)	-
Total	**2,523.80**	**6.05**	**2.25**

(i) Details of lien against bank deposits:

Security lien towards RBL working capital demand loan	51.19	-	-
Security lien towards ICICI cash credit facility and working capital demand loan	1,100.00	-	-
Security lien towards HDFC working capital demand loan	60.00	-	-
Security lien towards HSBC working capital demand loan and overdraft facility	1,150.00	-	-
Security lien towards SCB working capital demand loan	75.00	-	-
	2,436.19	**-**	**-**

(ii) The movement in allowance for interest receivable on trade advance is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Balance as at beginning of the year	1.77	-	-
Change in allowance during the year	-	1.77	-
Written off during the year	-	-	-
Balance as at the end of the year	**1.77**	**1.77**	**-**

Refer note 35 - Financial instruments, fair values and risk measurement

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Notes to the Standalone Financial Statements for the year ended 31 March 2022
(All amounts are in Rs. million, unless otherwise stated)

10 OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Current			
Unsecured, considered good unless otherwise stated			
Advances other than capital advances			
Advances to vendors	1,696.85	532.82	206.44
Less: Provision for doubtful advances	(58.63)	(28.63)	-
Return asset *	390.50	233.06	58.34
Prepaid Expenses	22.93	4.91	3.89
Balances with Government Authorities			
- Goods and Services Tax credit receivable	722.67	437.09	78.29
- Custom Duty	45.31	34.63	14.72
- Sales Tax/ Value Added Tax	0.06	0.06	0.06
Total	**2,819.69**	**1,213.94**	**361.74**

* Return Asset: Customers of the Company have right to return in case of any defects or on grounds of quality. The Company uses expected value method to estimate the goods that will be returned. For goods that are expected to be returned, instead of revenue, Company recognize a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer.

Note: There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

11 INVENTORIES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Stock-in-trade	5,457.34	3,088.23	749.58
Total	**5,457.34**	**3,088.23**	**749.58**

(i) For mode of valuation, refer note 2 (f) of significant accounting policies

(ii) The above includes goods in transit of Rs. 808.52 million (31 March 2021: Rs. 279.67 million, 1 April 2020: Rs. 167.43 million)

(iii) Value of inventories above is stated after provisions for slow-moving and obselete items of Rs. 86.61 million (31 March 2021: Rs. 168.30 million, 1 April 2020: Rs. 45.95 million).

(iv) During the year an amount of Rs. 702.82 million (31 March 2021: Rs. 52.79 million; 01 April 2020 : Rs. 95.20 million) has been charged off to statement of profit and loss on account of cost of goods that have been scraped. These goods are adjusted against warranty liability of the Company.

(v) The Company has created a charge on its inventories for its borrowings (refer to note 18)

(All amounts are in Rs. million, unless otherwise stated)

12 TRADE RECEIVABLES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Current			
Trade Receivables considered good – Secured	-	-	-
Trade Receivables considered good – Unsecured	3,265.87	777.43	561.56
Trade Receivables which have significant increase in credit risk - Unsecured	-	-	-
Trade Receivables – credit impaired - Unsecured	2.64	11.49	54.85
Less: Allowance for expected credit loss	(41.14)	(34.09)	(63.66)
Total	**3,227.37**	**754.83**	**552.75**
Category wise details of allowance for expected credit loss			
Allowance for expected credit loss for Trade Receivables considered good – Unsecured	2.64	11.49	54.85
Allowance for expected credit loss for Trade Receivables – credit impaired - Unsecured	38.50	22.60	8.81
	41.14	**34.09**	**63.66**

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Refer note 35 - Financial instruments, fair values and risk measurement

(i) There are no debt which are due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member for the year ended 31 March 2022, 31 March 2021 and 1 April 2020.

(ii) Trade receivables from related parties:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Trade receivables from related parties	2.64	6.46	4.56
Less: Allowance for expected credit loss	(2.64)	(2.64)	-
	-	**3.82**	**4.56**

Refer note 37 - Related party disclosures

(iii) The movement in allowance for expected credit loss is as follows:

Particulars	As at 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Balance as at beginning of the year	**34.09**	**63.66**	**5.48**
Change in allowance during the year	7.05	(14.33)	58.18
Written back during the year	-	(15.24)	-
Balance as at the end of the year	**41.14**	**34.09**	**63.66**

(iv) Ageing for trade receivables from the due date of payment for each of the category is as follows:

Trade receivables ageing schedule as at 31 March 2022	Current (not past due)	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 Months to 1 Year	1 - 2 Years	2 -3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	1,712.22	1,546.07	1.47	5.84	0.28	0.00	3,265.87
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	0.12	2.52	-	2.64
	1,712.22	**1,546.07**	**1.47**	**5.96**	**2.80**	**0.00**	**3,268.51**
Allowance for expected credit loss	-	(30.92)	(1.47)	(5.96)	(2.80)	(0.00)	(41.14)
	1,712.22	**1,515.15**	**-**	**-**	**-**	**-**	**3,227.37**

Note: There are no unbilled dues as at 31 March 2022

Trade receivables ageing schedule as at 31 March 2021	Current (not past due)	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 Months to 1 Year	1 - 2 Years	2 -3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	425.03	342.29	8.16	1.95	-	-	777.43
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	8.85	-	-	8.85
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	0.12	2.52	-	-	2.64
	425.03	**342.29**	**8.28**	**13.32**	**-**	**-**	**788.92**
Allowance for expected credit loss	-	(12.49)	(8.28)	(13.32)	-	-	(34.09)
	425.03	**329.80**	**-**	**-**	**-**	**-**	**754.83**

Note: There are no unbilled dues as at 31 March 2021

(All amounts are in Rs. million, unless otherwise stated)

13 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Cash on hand*	0.72	0.07	0.01
Balances with banks			
In current accounts	301.50	42.00	73.14
In deposits with original maturity of less than 3 months	-	1,401.86	-
Total	**302.22**	**1,443.93**	**73.15**

* Cash on hand includes balances in digital wallets of Rs. 0.69 millions (31 March 2021 : Nil, 01 April 2020 : Nil)

Refer note 35 - Financial instruments, fair values and risk measurement

Note:
Details of lien against fixed deposits:

Security lien towards RBL cash credit facility	-	-	-
Security lien towards HSBC working capital demand loan	-	-	-
	-	-	-

14 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Balances with banks to the extent held as security against the borrowings			
Fixed deposits with original maturity of more than 3 months but less than 12 months	1,575.84	45.00	12.50
Total	**1,575.84**	**45.00**	**12.50**

Refer note 35 - Financial instruments, fair values and risk measurement

Note:
Details of lien against fixed deposits:

Security lien towards RBL working capital demand loan	25.84	25.00	12.50
Security lien towards ICICI cash credit facility and working capital demand loan	-	10.00	-
Security lien towards HDFC working capital demand loan	-	10.00	-
Security lien towards Citi Bank working capital demand loan	550.00	-	-
Security lien towards HSBC working capital demand loan and overdraft facility	1,000.00	-	-
Security lien towards SCB working capital demand loan	-	-	-
	1,575.84	**45.00**	**12.50**

15 LOANS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Current			
Loan to employees			
Loans Receivables considered good – Secured	-	-	-
Loans Receivables considered good – Unsecured	7.21	0.59	0.93
Loans Receivables which have significant increase in credit risk	-	-	-
Loans Receivables – credit impaired	-	-	-
Loan to subsidiary Company	27.00	-	-
Total	**34.21**	**0.59**	**0.93**

Refer note 35 - Financial instruments, fair values and risk measurement

Notes:

(i) There are no loans due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

(ii) Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

(iii) Loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
(a) repayable on demand; or
(b) without specifying any terms or period of repayment *

Particulars	As at 31 March 2022 Amount outstanding	% of total	As at 31 March 2021 Amount outstanding	% of total	As at 1 April 2020 Amount outstanding	% of total
Type of Borrower						
Promoters	-	-	-	-	-	-
Directors	-	-	-	-	-	-
Key management personnel (KMP)	-	-	-	-	-	-
Related party (Subsidiary)	27.00	78.91%	-	-	-	-

* There are no loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are without specifying any terms or period of repayment.

(iv) There are no advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
(a) repayable on demand; or
(b) without specifying any terms or period of repayment

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Notes to the Standalone Financial Statements for the year ended 31 March 2022
(All amounts are in Rs. million, unless otherwise stated)

9 INCOME TAXES

A. Components of income tax expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
I. Tax expense recognised in Profit and Loss		
Current Tax Expense		
Current tax on profits for the year	306.50	325.16
Adjustments for the current tax of prior periods	0.38	2.17
Total Current Tax Expense	**306.88**	**327.33**
Deferred Tax Expense		
Origination and reversal of temporary differences	**(4.66)**	(10.51)
Total Deferred Tax Expense	**(4.66)**	**(10.51)**
Income tax expenses recognised in profit and loss	**302.22**	**316.82**
II. Tax expense recognised in Other Comprehensive Income		
Deferred Tax Expense		
Net (loss)/gain on remeasurements of defined benefit plans	**(0.53)**	(0.00)
Income tax expenses recognised in other comprehensive income	**(0.53)**	**(0.00)**
III. Tax expense recognised in Equity		
Deferred Tax Expense		
Liability component of CCPS	-	(16.44)
Income tax expenses recognised in equity	**-**	**(16.44)**

B. Reconciliation of Effective Tax Rate

The reconciliation between the statutory income tax rate applicable and the effective income tax rate is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Statutory income tax rate applicable for the year	25.17%	25.17%
Differences due to:		
Expenses not deductible for tax purposes	2.52%	1.51%
Impact of adjustments for the current tax of prior periods	0.03%	0.18%
Others	-	0.09%
Effective tax rate	**27.72%**	**26.95%**

C. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred Tax Assets		
Lease liabilities	34.14	25.58
Provisions for employee benefits	5.91	1.93
Allowance for expected credit loss	25.56	16.23
Investments in equity instruments measured at FVTPL	-	-
Security deposits	-	0.64
Others	-	7.80
Total Deferred Tax Assets (A)	**65.61**	**52.18**
Deferred Tax Liabilities		
Property, plant and equipment	(0.04)	(1.46)
Right-of-use assets	(32.81)	(24.48)
Investments in equity instruments measured at FVTPL	(0.75)	(0.14)
Security deposits	(0.72)	-
Liability component of CCPS	-	-
Total Deferred Tax Liabilities (B)	**(34.32)**	**(26.08)**
Net Deferred Tax Assets / (Liabilities) (A-B)	**31.29**	**26.10**

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

9 INCOME TAXES (CONTINUED)

C. Deferred tax assets and liabilities *(Continued)*

(i) Movements in Deferred Tax Assets / (Liabilities)

Movements during the year ended 31 March 2022	Opening balance as on 01 April 2021	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2022
Property, plant and equipment	(1.46)	1.42	-	-	(0.04)
Right-of-use assets	(24.48)	(8.33)	-	-	(32.81)
Lease liabilities	25.58	8.56	-	-	34.14
Provisions for employee benefits	1.93	3.45	0.53	-	5.91
Allowance for expected credit loss	16.23	9.33	-	-	25.56
Investments in equity instruments measured at FVTPL	(0.14)	(0.61)	-	-	(0.75)
Security Deposits	0.64	(1.36)	-	-	(0.72)
Others	7.80	(7.80)	-	-	-
Total	**26.10**	**4.66**	**0.53**	**-**	**31.29**

Movements during the year ended 31 March 2021	Opening balance as on 01 April 2020	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2021
Property, plant and equipment	0.40	(1.86)	-	-	(1.46)
Right-of-use assets	(13.55)	(10.93)	-	-	(24.48)
Lease liabilities	13.82	11.76	-	-	25.58
Compound financial instrument	(18.92)	2.48	-	16.44	-
Provisions for employee benefits	0.73	1.20	0.00	-	1.93
Allowance for expected credit loss	16.02	0.21	-	-	16.23
Investments in equity instruments measured at FVTPL	0.20	(0.34)	-	-	(0.14)
Security Deposits	0.45	0.19	-	-	0.64
Others	-	7.80	-	-	7.80
Total	**(0.85)**	**10.51**	**0.00**	**16.44**	**26.10**

D. Tax assets and liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Non-Current tax assets (net)			
Advance tax and tax deducted at source, net of provision for tax	81.72	0.04	8.29
Current tax liabilities (net)			
Provision for tax, net of advance tax and tax deducted at source.	-	95.45	94.84

During the year ended 31 March 2022 and 31 March 2021 , the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

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Notes to the Standalone Financial Statements for the year ended 31 March 2022
(All amounts are in Rs. million, unless otherwise stated)

16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	As at 31 March 2022 Number of shares	Amount	As at 31 March 2021 Number of shares	Amount	As at 1 April 2020 Number of shares	Amount
AUTHORISED SHARE CAPITAL						
Equity shares of Re 1 each (Previous Year of Rs. 10 each) *	14,64,68,000	146.47	1,45,09,400	145.09	60,000	0.60
Preference shares of Rs 10 each	5,35,200	5.35	30,000	0.30	10,000	0.10
Preference shares of Rs 6,000 each	18,929	113.57	20,000	120.00	-	-
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL						
Equity share capital						
Equity shares of Re 1 each (Previous Year of Rs. 10 each) *	9,60,30,300	96.04	45,066	0.45	50,000	0.50
		96.04		**0.45**		**0.50**
Instruments entirely Equity in nature						
Preference shares of Rs 10 each	5,10,000	5.10	5,109	0.05	-	-
Preference shares of Rs 6,000 each	17,269	103.61	15,507	93.04	-	-
		108.71		**93.09**		**-**
Total		**204.75**		**93.54**		**0.50**

* Pursuant to the resolutions passed by the Board of Directors on 15 December 2021 and the shareholders on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share.

(a) Reconciliation of the number of shares

Particulars	Equity shares Number of Shares	Equity shares Amount	Series A CCPS Number of Shares	Series A CCPS Amount	Series B CCPS Number of Shares	Series B CCPS Amount
As at 1 April 2020	**50,000**	**0.50**	**-**	**-**	**-**	**-**
Shares reclassified from equity component of compound financial instrument @	-	-	5,109	0.05	-	-
Shares issued during the year	-	-	-	-	15,507	93.04
Shares bought back during the year (Refer note 16 (f))	(4,934)	(0.05)	-	-	-	-
As at 31 March 2021	**45,066**	**0.45**	**5,109**	**0.05**	**15,507**	**93.04**
Conversion of preference shares to equity shares	2,559	0.03	(2,559)	(0.03)		
Bonus shares issued during the year	94,77,375	94.77	5,07,450	5.08	-	-
Equity shares arising on share split from Rs. 10 to Re. 1 per share *	8,57,25,000	-	-	-	-	-
Issue of Equity Shares on exercise of employee stock option	3,16,800	0.32	-	-	-	-
Shares issued during the year on private placement basis	4,63,500	0.46	-	-	1,762	10.57
As at 31 March 2022	**9,60,30,300**	**96.04**	**5,10,000**	**5.10**	**17,269**	**103.61**

* Pursuant to the resolutions passed by the Board of Directors on 15 December 2021 and the shareholders on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share. There is no impact on the value of equity share capital.

Equity shares represents equity shares of Rs 1 each, fully paid up
Series A CCPS represents 0.01% Non-cumulative compulsorily convertible preference shares of Rs 10 each, fully paid up
Series B CCPS represents 0.01% Cumulative compulsorily convertible preference shares of Rs 6,000 each, fully paid up

@ 5,109 Compulsorily Convertible Preference Shares of Rs. 10 each were classified as compound financial instrument on the date of issue. Subsequently, with effect from 5 January 2021, the same have been reclassified as Instrument completely in the nature of Equity. (refer note 16(h) for further details)

(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, preferences and restrictions attached 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 red-herring 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.

Series B CCPS comprises Series B CCPS and Series B1 CCPS, both cumulative participating compulsorily and fully convertible preference shares having a face value of Rs. 6,000 each, convertible at a ratio of 1:2000 * (that is 2000 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 2000 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 red-herring 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.

* As per the original terms of Series B CCPS, the conversion ratio was 1:1 (that is 1 Equity Share shall be issued upon conversion of 1 Preference Share). During the year ended 31 March 2022, pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS and the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share the Company adjusted the conversion price for Series B CCPS in accordance with their terms of issuance as set out in the articles of association and the amended and shareholders agreement dated 9 April 2021 from Rs. 283,749 to Rs. 141.88. Accordingly, the revised conversion ratio is 1:2000.

Notes to the Standalone Financial Statements for the year ended 31 March 2022
(All amounts are in Rs. million, unless otherwise stated)

16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE (CONTINUED)

(d) Details of shareholders more than 5% shares of a class of shares in the Company:

Particulars	As at 31 March 2022 Number of shares	% in shares	As at 31 March 2021 Number of shares	% in shares	As at 1 April 2020 Number of shares	% in shares
Equity shares						
Mr. Sameer Mehta	3,83,70,000	39.96%	19,185	42.57%	25,000	50.00%
Mr. Aman Gupta	3,83,70,000	39.96%	19,185	42.57%	25,000	50.00%
South Lake Investment Ltd	1,85,10,000	19.28%	6,696	14.86%	-	-
Series A CCPS						
Fireside Ventures Investment Fund - I	5,10,000	100.00%	2,550	49.91%	5,109	100.00%
South Lake Investment Ltd	-	0.00%	2,559	50.09%	-	-
Series B CCPS						
South Lake Investment Ltd	15,507	89.80%	15,507	100.00%	-	-
Qualcomm Ventures LLC	1,762	10.20%	-	-	-	-

During the year ended 31 March 2021, South Lake Investment Ltd bought the following shares directly from other existing shareholders:
- 3,348 equity shares of Rs 10 each from Mr. Sameer Mehta
- 3,348 equity shares of Rs 10 each from Mr. Aman Gupta
- 2,559 Series A CCPS from Fireside Ventures Investment Fund - I

(e) Shares reserved for issue under options and contracts:

Particulars	As at 31 March 2022 Number of shares	Amount	As at 31 March 2021 Number of shares	Amount	As at 1 April 2020 Number of shares	Amount
Under Employee Stock Option Plan 2019:						
Equity shares of Re 1 each, at exercise price of Rs 30.27 per share (Previous years: Rs 60,533 per share) *	7,53,200	0.75	744	0.01	256	0.00
Equity shares of Re 1 each, at exercise price of Rs 141.88 per share	23,83,150	2.38	-	-	-	-
Under Employee Stock Option Plan 2021:						
Equity shares of Re 1 each, at exercise price of Rs 141.88 per share (Previous years: Rs 283,749 per share) *	54,98,000	5.50	2,749	0.03	-	-
Right to subscribe to Innoven Capital India Private Limited						
Equity Share of Re. 1 each, Nil (Previous years: Equity shares of Rs. 10 each, at an exercise price of Rs 86,306 per share) *	-	-	232	0.00	232	0.00
For 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each						
Equity shares of Re 1 each *	51,00,000	5.10	5,109	0.05	5,109	0.05
For 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each						
Equity shares of Re 1 each *	3,45,38,000	34.54	15,507	0.16	-	-

* Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the number of options and the exercise price per share have also been adjusted accordingly, i.e. number of options have been multiplied by 200 and the exercise price per share has been divided by 200.
Terms attached to the Compulsorily Convertible Preference Shares are described in note 16 (c).
Terms attached to the Employee Stock Options granted to the employees are described in note 40 regarding Employee share based payments.

(f) During the period of five years immediately preceding the reporting date:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Aggregate number and class of shares allotted as fully paid up by way of bonus shares			
Equity shares of Re 1 each (Previous Year of Rs. 10 each) @	94,77,375	-	-
0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each #	5,07,450	-	-
Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:			
Equity shares of Re 1 each (Previous Year of Rs. 10 each) *	4,934	4,934	-

@ During the year ended 31 March 2022, the Company has issued bonus shares in the ratio of 1:199 ((i.e. 199 new bonus shares for every 1 share held by the holder) credited as fully paid up, to the eligible equity shareholders of Equity Shares of Rs. 10 each and whose names appear in the Register of Members / Beneficial Owners' position of the Company on 13 May, 2021 (“Record Date”).

During the year ended 31 March 2022, the Company has issued bonus shares in the ratio of 1:199 ((i.e. 199 new bonus shares for every 1 share held by the holder) credited as fully paid up, to the eligible shareholders 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each and whose names appear in the Register of Members / Beneficial Owners' position of the Company on 13 May, 2021 (“Record Date”).

Pursuant to the aforementioned Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS and the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share, the Company adjusted the conversion price for Series B CCPS in accordance with their terms of issuance as set out in the articles of association and the amended and shareholders agreement dated April 9, 2021, from Rs. 283,749 to Rs. 141.88.

* During the year ended 31 March 2021, the Company 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).

16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE (CONTINUED)

(g) Details of shares by the Promoter's of the Company:

	As at 31 March 2022 Number of shares	% in the class	As at 31 March 2021 Number of shares	% in the class	% change during the period
Equity shares of Rs each fully paid up held by:					
Mr. Sameer Mehta	3,83,70,000	39.96%	19,185	42.57%	199900.00% *
Mr. Aman Gupta	3,83,70,000	39.96%	19,185	42.57%	199900.00% *

* Change during the year is on account of bonus shares issued and share split from Rs. 10 each to Re. 1 each

	As at 31 March 2021 Number of shares	% in the class	As at 1 April 2020 Number of shares	% in the class	% change during the period
Equity shares of Rs each fully paid up held by:					
Mr. Sameer Mehta	19,185	42.57%	25,000	50.00%	-23.26% @
Mr. Aman Gupta	19,185	42.57%	25,000	50.00%	-23.26% @

@ Change during the year is on account of 2,467 equity shares bought back by the Company from each promoter and sale of 3,348 equity shares by each promoter to South Lake Investments Ltd

(h) Agreements with Shareholders:

During the year ended 31 March 2022:

(i) Pursuant to a Shareholders Agreement (SHA) dated 9 April 2021 entered into by and between Imagine Marketing Private Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2), Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd and Qualcomm Ventures LLC and the Share Subscription Agreement (SSA) dated 9 April 2021 entered into by and between Imagine Marketing Private Limited, the Promoters, Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd and Qualcomm Ventures LLC, the Company issued 1,762 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each to Qualcomm Ventures LLC on 20 April 2021 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received Rs. 499.96 million the details of which are included in the table below:

Type of share	Face value per share	Issue price per share	Premium on issue per share	No. of shares	Total amount in Rs. million
0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each (Series B1 CCPS)	6,000.00	2,83,749.00	2,77,749.00	1,762.00	499.96

Pursuant to the SHA dated 9 April 2021 as mentioned above, the conversion ratio of the Series B1 CCPS was determined to be 1:1. Accordingly, Series B1 CCPS were considered to be "Instrument entirely Equity in nature" as at the trasaction date.

(ii) Innoven Capital India Private Limited has exercised the right to subscribe shares of the Company provided as part of the loan agreement. Pursuant to this, the Company has issued 463,500 equity shares of Re 1 each, fully paid to Innoven Capital India Private Limited at an exercise price of Rs 43.15 per equity share totalling to Rs. 20.00 million.

During the year ended 31 March 2021:

(i) Pursuant to a Shareholders Agreement (SHA) dated 14 December 2020 entered into by and between Imagine Marketing Private Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2), Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust) and South Lake Investments Ltd and the Share Subscription Agreement (SSA) dated 14 December 2020 entered into by and between Imagine Marketing Private Limited, the Promoters Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust) and South Lake Investments Ltd, the Company issued 15,507 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each to South Lake Investments Ltd on 5 January 2021 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received Rs. 4,400.10 million the details of which are included in the table below:

Type of share	Face value per share	Issue price per share	Premium on issue per share	No. of shares	Total amount in Rs. million
0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each (Series B CCPS)	6,000	2,83,749	2,77,749	15,507	4,400.10

Pursuant to the SHA dated 14 December 2020 as mentioned above, the conversion ratio of the Series B CCPS was determined to be 1:1. Accordingly, Series B CCPS were considered to be "Instrument entirely Equity in nature" as at the trasaction date.

(ii) During the year ended 31 March 2021, Fireside Ventures Investment Fund - I waived off the right to the Exit clause as mentioned in the SHA dated 4 April 2018 and 31 December 2018 respectively. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature".

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Notes to the Standalone Financial Statements for the year ended 31 March 2022
(All amounts are in Rs. million, unless otherwise stated)

17 OTHER EQUITY

A. Summary of Other Equity balance:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Equity component of compound financial instruments	-	-	69.34
Securities Premium	3,704.85	3,289.98	-
Debenture Redemption Reserve	-	-	11.25
Capital Redemption Reserve	-	0.05	-
General Reserve	11.25	11.25	-
Share Options Outstanding Account	162.00	14.82	3.00
Retained Earnings	2,018.65	1,232.04	637.87
Total Other Equity	**5,896.75**	**4,548.14**	**721.46**

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Equity component of compound financial instruments			
Balance at the beginning of the year	-	69.34	65.88
Add: Reversal of deferred tax originally recognised on equity component of compound financial instrument due to tax rate change	-	-	3.46
Add: Reversal of deferred tax originally recognised on equity component of compound financial instrument on reclassification	-	16.44	-
Less : Reclassification of equity component of CCPS from Other equity to Instruments entirely Equity in nature	-	(85.78)	-
Balance at the end of the year	**-**	**-**	**69.34**
Securities Premium			
Balance at the beginning of the year	3,289.98	-	-
Add: Addition during the year on account of new issue of CCPS	489.39	4,307.05	-
Add: Addition during the year on account of change in classification of compound financial instrument	-	209.95	-
Add: Addition during the year on account of new issue of Equity Shares	19.54		
Add: Addition during the year on account of issue of equity shares on exercise of employee stock options	17.81		
Less: Expenses incurred directly in connection with issue of CCPS	(12.07)	(91.52)	-
Less: Securities premium utilised for buy back of equity shares	-	(1,135.45)	-
Less: Securities premium transferred to capital redemption account on buy back of equity shares (refer note i below)	-	(0.05)	-
Less: Utilised for issue of bonus shares	(99.80)	-	-
Balance at the end of the year	**3,704.85**	**3,289.98**	**-**
Debenture Redemption Reserve			
Balance at the beginning of the year	-	11.25	-
Add: Transferred from retained earnings	-	-	11.25
Less: Transferred to retained earnings (refer note ii below)	-	(11.25)	-
Balance at the end of the year	**-**	**-**	**11.25**
Capital Redemption Reserve			
Balance at the beginning of the year	0.05	-	-
Add: Transferred from securities premium account on buy back of equity shares	-	0.05	-
Less: Utilised for issue of bonus shares	(0.05)	-	-
Balance at the end of the year	**-**	**0.05**	**-**
General Reserve			
Balance at the beginning of the year	11.25	-	-
Add: Transferred from debenture redemption reserve	-	11.25	-
Balance at the end of the year	**11.25**	**11.25**	**-**
Share Options Outstanding Account			
Balance at the beginning of the year	14.82	3.00	-
Add: Charge for the year (Refer note 28)	155.72	11.82	3.00
Less: Issue of equity shares on exercise of employee stock options	(8.54)	-	-
Balance at the end of the year	**162.00**	**14.82**	**3.00**
Retained Earnings			
Balance at the beginning of the year	1,232.04	637.87	164.59
Add: Profit for the year	788.20	858.70	484.65
Less: Transferred to debenture redemption reserve	-	-	(11.25)
Less: Buy back distribution tax	-	(264.52)	-
Less: Remeasurement of post employment benefit obligation, net of tax	(1.59)	(0.01)	(0.12)
Balance at the end of the year	**2,018.65**	**1,232.04**	**637.87**

Note:

(i) During the year ended 31 March 2021, 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 ended 31 March 2021, the Company has paid off all the outstanding debenture and accordingly, the debenture redemption reserves has been transferred to General Reserve.

B. Nature and purpose of reserves:

Securities Premium - Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Debenture Redemption Reserve - In order to comply with the requirements of Section 71(4) of the Companies Act, 2013, the Company had created a debenture redemption reserve out of the profits of the Company available for payment of dividend, and the amount credited to such account was utilized by the Company for the redemption of debentures.

Capital Redemption Reserve - The Company has recognised Capital Redemption Reserve on the buyback of equity shares from its retained earnings. The amount in the Capital Redemption Reserve is equal to the nominal amount of the equity shares bought back.

General Reserve - On redemption of the debentures for which the debenture redemption reserve was created, the Company has transferred the balance in the debenture redemption reserve to the General Reserve.

Share Options Outstanding Account - The fair value of the equity-settled share based payment transactions is recognised in Standalone statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

Retained Earnings - Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

18 BORROWINGS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Non-Current			
Secured, at amortised cost			
14.50% Non-convertible debentures of Rs 100,000 each (refer note i below)	-	-	112.50
Term loan:			
- from other parties (refer note ii below)	-	58.82	18.82
Less: Current maturities of long-term borrowings	-	(58.82)	(131.32)
Unsecured, at amortised cost			
Liability component of compound financial instruments (refer note iii below)	-	-	134.80
Total	**-**	**-**	**134.80**
Current			
Secured, at amortised cost			
Current maturities of long-term borrowings	-	58.82	131.32
Cash credit from banks (refer note iv, v & viii below)	2,086.34	161.78	11.20
Loan repayable on demand:			
- from banks (refer note iv, v, vi , vii, viii & xiii below)	6,000.00	119.73	100.00
- from other parties (refer note ii, ix & x below)	-	75.00	86.05
Unsecured, at amortised cost			
Loan repayable on demand:			
- from related parties (refer note x below)	-	-	7.24
- from banks (refer note iv & xi below)	1,124.98	-	-
- from other parties (refer note xiv below)	-	-	17.50
Total	**9,211.32**	**415.33**	**353.31**

Refer note 35 - Financial instruments, fair values and risk measurement

Notes:

(i) Debentures were obtained by the Company from BAC Acquisition Pvt Ltd on 21 June 2019 and carried an interest rate 14.50% p.a. & redemption premium of Rs. 5.25 million 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 12.50 million per month from January 2020 to December 2020 plus the interest for number of days of the month and a redemption premium of Rs 5.25 million at the end of the tenure. During the year ended 31 March 2021, 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 on 18 July 2019 and carries an interest rate 14.75% p.a. (31 March 2021: 14.75% p.a., 01 April 2020: 14.80% p.a.), against the pledge of 7,500 Equity share (31 March 2021: 7,500 Equity share, 01 April 2020: 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 of Rs 40 million is repayable in 17 monthly installment amounting of principal repayment of Rs 2.35 million per month from August 2019 and Loan of Rs. 100 million is repayable in 17 monthly installment amounting of principal repayment of Rs 5.88 million 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. During the year ended 31 March 2021, the loan amounting to Rs 40 million was fully repaid, and during the year ended 31 March 2022, the loan amouting to Rs 100 million was fully repaid and pledge has been released.
The Company has given right to Innoven Capital India Pvt Ltd to purchase preference shares equal to Rs 20 million at Rs 86,306 price per share. 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 the termination of the loan agreement. During the year ended 31 March 2022, Innoven Capital India Pvt Ltd has exercised its rights and the company has issued 4,63,500 equity shares of face value at the price of Rs 43.15 per share.

(iii) Refer to note 16 (c) for rights, preferences and restrictions attached to preference shares including the terms of conversion of the liability component of compound financial instruments (Series A CCPS)

(iv) Cash Credit (CC) facility and working capital demand loan (WCDL) facility from Citi bank has been availed and carries an interest rate mutually agreed between the parties at the time of disbursement which ranges between 6.20% to 6.40% as at 31 March 2022 (31 March 2021: 9.50% p.a, 01 April 2020: 9.75% p.a.,), computed on monthly basis on the actual amount utilised to be paid on last date of each month.

The Company has availed an aggregate limit of Rs.1400 million (including. Cash Credit Limit and Working Capital Demand Loan) of which Rs.700 million is secured against hypothecation on current and future stocks and book debts of the Company as well as pledge against fixed deposits. The remaining limit of Rs. 700 million is an unsecured adhoc facility given by the bank.

As at 31 March 2021, there was personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta given as security. Additionally the Company had given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, Innoven Capital and RBL and also have the pledge of 2,500 Equity share (31 March 2021: 2,500 Equity share, 01 April 2020: 2,500 Equity share) (1,250 owned by Mr. Sameer Ashok Mehta and 1,250 owned by Mr. Aman Gupta) having face value of Rs 10 per share. However, during the year ended 31 March 2022, pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released.

The WCDLs generally have a tenure ranging upto 6 months. These cash credit and WCDLs loans are repayable on demand.

(v) Cash Credit (CC) facility and Overdraft facility has been availed by the Company from ICICI bank for meeting the working capital requirements of the Company and carries an interest rate at I - MCLR - 6M+0.70% (31 March 2021: 9.25% p.a., 01 April 2020: N.A) and FD rate + 0.50% (31 March 2021: N.A., 01 April 2020: N.A) respectively, computed on monthly basis on the actual amount utilized to be paid on last date of each month against the pledge of current asset receivable and current asset inventory (earlier there was pledge on 1,250 Equity shares ; 31 March 2021: 1,250 Equity share, 01 April 2020: N.A) (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta having face value of Rs 10 per share).

During the year ended 31st March 2022, Company has availed WCDL limit of Rs.1000 million as a sublimit of Cash Credit facility secured against hypothecation on current asset receivable and current asset inventory of the Company and interest rate on the same is to be decided at the time of disbursement. Also the Company has availed WCDL limit of Rs.1200 million as a sublimit of Overdraft facility secured against the 100% Fixed Deposit and carries interest rate of FD rate + 0.50%. There is personal guarantee of Directors - Mr. Sameer Ashok Mehta and Mr. Aman Gupta. Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICIC Bank, HDFC Bank, SCB Bank, Innoven Capital and RBL. Pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released on 12 January 2021. The tenure of the WCDL loans range from 7 days to 180 days.

(vi) Secured working capital demand loan (sublimit of cash credit facility) has been obtained by the Company from RBL bank against fixed deposit of Rs 75 million (31 March 2021: Rs 25 million, 01 April 2020: N.A) as security.The Company has given RBL First Passu Charge on the entire current and moveable fixed assets of the Company, both present and future. The interest rate are applicable as per disbursement date and the bank reserves the right to charge additional interest at the rate of 2% p.a (31 March 2021: 2%, 01 April 2020: N.A) on occurrence of such events as specified in the agreement. Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, SCB bank, Innoven Capital and RBL and pledge of 3,750 Equity share (31 March 2021: 3,750 Equity share, 01 April 2020: N.A) (1,875 owned by Mr. Sameer Ashok Mehta and 1,875 owned by Mr. Aman Gupta) having face value of Rs 10 per share. 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. During the year ended 31 March 2022, pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released. The tenure of the WCDL loans ranges upto 3 months and the same is repayable on demand.

(vii) Secured loan has been obtained by the Company from HDFC bank towards working capital which carries an interest rate 8.00% p.a. linked to 1 year MCLR reset annually (31 March 2021: 8.50% p.a, 01 April 2020: N.A).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 60 million (31 March 2021: Rs 10 million, 31 March 2020: N.A) lien marked to HDFC Bank. Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICIC Bank, HDFC Bank, SCB Bank Innoven Capital and RBL and has pledge 1,250 of Equity share (31 March 2021: 1,250, 31 March 2020: N.A) (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) having face value of Rs 10 per share. During the period ended 31 March 2022, pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released.

(viii) Overdraft facility has been availed by the Company from HSBC Bank and carries an interest rate mutually agreed per annum which is linked to the prevalent Bank MCLR/3M T-bill against the pledge of current asset receivable and inventory and has placed under lien Fixed Deposits of Rs. 150 million (31 March 2021 : N.A. ; 31 March 2020 : N.A.) and Rs. 2500 million (31 March 2021 : N.A. ; 31 March 2020 : N.A.) as a lien marked towards overdraft-1 facility and overdraft - 2 facility respectively. The tenure of the WCDL loans ranges upto 90 days and the same is repayable on demand.

(ix) Secured loan was obtained by the Company from TATA Capital Pvt Ltd towards working capital through sales invoice discounting facilty of invoices of Flipkart India Pvt Ltd on 2 July 2019 which carries an interest rate 10.90% per annum, against the personal guarantee of Mr. Sameer Ashok Mehta and Mr. Aman Gupta, Loan is repayable as per due dates of invoices of Flipkart and interest on transaction basis for the amount utilised for number of days. The loan was entirely repaid on 8 April 2020 and personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta were released.

(x) Unsecured loan also included Loan from Directors of Rs 2.50 million (Rs 1.25 million each for Mr. Sameer Mehta and Mr. Aman Gupta) bearing 0% interest rate and Rs 4.74 million from Sameer Mehta bearing 10% interest rate. All the unsecured loan were repaid during the year ended 31 March 2021.

(All amounts are in Rs. million, unless otherwise stated)

18 BORROWINGS (CONTINUED)

Notes: ***(Continued)***

(xi) Unsecured loan has been obtained by the Company from HSBC Bank towards working capital through sales invoice discounting facilty of invoices of Appario Retail Private Limited ('Appario') which carries an interest rate 8.00% per annum, Loan is repayable as per due dates of invoices of Appario and interest on transaction basis for the amount utilised for number of days.

(xii) Secured loan has been obtained by the Company from Standard Chartered Bank towards working capital which carries an interest rate specified by the bank at the time of drawdown ranging 6.10% to 6.95% as at 31 March 2022.The Company has given first pari passu charge on current assets (stock and book debt) and has placed fixed deposits of Rs. 75 million under lien (31 March 2021 : N.A. ; 31 March 2020 : N.A.). The maximum tenure of this loan is 150 days and the same is repayble on demand.

(xiii) Borrowings from banks and financial institutions have been used for the purpose for which they were obtained.

(xiv) The Company had other unsecured Loan amounting to Rs 17.50 million in year ended 31 March 2020 obtained from other corporates in the form of Inter Corporate Deposits (ICD's) and loan bearing a interest rate ranging 10-12%. The loan interest and principal amount was repayable on demand on 2 months prior notice. During the year ended 31 March 2021, the Company repaid the entire loan and there are no dues outstanding as at year end.

(xv) The Company has filed quarterly returns/statements of current assets during the year ended 31 March 2022 with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts. Following are the discrepancies between books of accounts & quarterly statements submitted to banks relating to current assets, where borrowings have been availed based on security of current assets.

Bank	Quarter	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Citi Bank, RBL, HDFC, ICICI	March 2021	Inventory	3,088.23	2,654.27	433.96	Adjustment for goods-in-transit recognised
Citi Bank, RBL, HDFC, ICICI	March 2021	Trade receivables	754.83	1,263.98	(509.15)	Adjustment for reversal of revenue for year end cut off
Citi Bank, RBL, HDFC, ICICI	March 2021	Advance to Vendor	532.82	508.30	24.52	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2021	Inventory	2,720.83	2,488.29	232.55	Adjustment for goods inward and settled subsequently
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2021	Trade receivables	3,006.22	2,962.44	43.78	Adjustment for Advance from Debtors
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2021	Advance to Vendor	2,692.41	2,631.16	61.25	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2021	Inventory	7,323.01	1,715.93	5,607.08	Adjustment for goods-in-transit recognised
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2021	Trade receivables	6,352.63	8,623.95	(2,271.32)	Adjustment for reversal of revenue for period end cut off
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2021	Advance to Vendor	3,117.39	4,673.68	(1,556.29)	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	December 2021	Inventory	7,935.08	6,693.71	1,241.37	Adjustment for goods-in-transit recognised
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	December 2021	Trade receivables	4,286.16	4,242.01	44.15	Adjustment for Advance from Debtors
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	December 2021	Advance to Vendor	1,473.62	1,387.65	85.97	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2022	Inventory	5,457.34	5,551.31	(93.97)	Adjustment for goods-in-transit and provisions recognised
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2022	Trade receivables	3,227.37	3,807.74	(580.37)	Adjustment for reversal of revenue for year end cut off
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2022	Advance to Vendor	1,696.85	1,564.90	131.95	Adjustment for Vendor Advance against Trade Payables

(xvi) The Company has registered all the charges or satisfaction with the Registrar of Companies (ROC) by the statutory date.

(xvii) The company has not been declared a Wilful defaulter.

(xviii) There has been no discrepancy in utilisation of borrowings

(xix) The Company has not obtained any long term borrowings

19 LEASE LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Non-current			
Lease liabilities payable beyond 12 months	94.30	77.05	41.41
	94.30	**77.05**	**41.41**
Current			
Lease liabilities payable within 12 months	41.36	24.57	13.49
	41.36	**24.57**	**13.49**

(i) Set out below is the movement in lease liabilities during the period:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
As at 1 April	101.62	54.90	1.43
Add: Addition	80.71	63.80	61.02
Add: Accretion of interest	10.81	5.53	2.89
Less: Deletion due to closure	(13.43)	-	-
Less: Rent waiver	-	(3.35)	-
Less: Payments	(44.05)	(19.26)	(10.44)
Closing balance	**135.66**	**101.62**	**54.90**
Non-Current	94.30	77.05	41.41
Current	41.36	24.57	13.49
Total	**135.66**	**101.62**	**54.90**

(ii) Maturity analysis of lease liabilities (undiscounted basis):

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Not later than one year	41.36	24.57	13.49
Later than one year and not later than five years	103.40	86.39	47.48
Later than five years	-	-	-
Total	**144.76**	**110.96**	**60.97**

(iii) The effective interest rate for lease liabilities is 7.13% as on 31 March 2022 (7.40%, 8.71% as on 31 March 2021 and 01 April 2020 respectively)

(iv) The Company had total cash outflow for leases (including the short-term leases) for 31 March 2022: Rs. 60.11 million (31 March 2021: Rs. 26.59 million, 01 April 2020 : Rs. 12.31 million).

(All amounts are in Rs. million, unless otherwise stated)

20 PROVISIONS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Non-Current			
Provision for employee benefits			
- Provision for gratuity (refer note 39)	6.34	2.02	0.79
Total	**6.34**	**2.02**	**0.79**
Current			
Provision for employee benefits			
- Provision for gratuity (refer note 39)	0.12	0.03	0.01
- Provision for compensated absence (refer note 39)	17.04	5.62	1.09
Other provisions			
- Provision for warranties	484.88	181.94	86.00
- Provision for expected return liability	550.00	20.95	89.75
Total	**1,052.04**	**208.54**	**176.85**

The provision for warranties represents management's best estimate of the Company's liability under warranties granted on products, based on prior experience and industry averages.
The provision for expected return liability represents management's best estimate of the Company's liability with respect to the customers contractual right to return goods in case of any defects or on grounds of quality.

(i) Movements in Other Provisions

Provision for warranties	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
At the beginning of the year	181.94	86.00	-
Addition during the year	484.88	181.94	86.00
Utilised during the year	(181.94)	(86.00)	-
At the end of the year	**484.88**	**181.94**	**86.00**

Provision for expected return liability	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
At the beginning of the year	20.95	89.75	-
Addition during the year	550.00	20.95	819.21
Utilised during the year	(20.95)	(89.75)	(729.46)
At the end of the year	**550.00**	**20.95**	**89.75**

For movements in provisions for employee benefits, refer Note 39.

The Company does not expect any reimbursements in respect of the above provisions.

21 TRADE PAYABLES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Current			
Total outstanding dues of micro enterprise and small enterprises	24.43	30.57	3.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,164.26	1,175.27	339.62
Total Current Trade Payables	**2,188.68**	**1,205.84**	**343.50**

Trade payables are non-interest bearing and are normally settled on 0 to 30 day terms.

Refer note 35 for information about liquidity risk and market risk of trade payables.

(i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises which are also required as per Ind AS Schedule III:
Information has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
The amounts remaining unpaid to micro and small enterprise suppliers as at the end of the period/year			
- Principal	24.43	30.57	3.88
- Interest	-	-	-
The amount of interest paid by the buyer as per MSMED Act, 2006	-	-	-
The amounts of the payments made to micro and small enterprise 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	-	-	-

(All amounts are in Rs. million, unless otherwise stated)

21 TRADE PAYABLES (CONTINUED)

(ii) Ageing for trade payable from the due date of payment for each of the category is as follows:

Trade payables ageing schedule as at 31 March 2022	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	-	8.71	15.66	0.06	-	-	**24.43**
Undisputed dues of creditors other than micro enterprises and small enterprises	1,201.56	341.10	608.18	13.45	-	-	**2,164.29**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**
	1,201.56	**349.80**	**623.84**	**13.51**	**-**	**-**	**2,188.72**

Trade payables ageing schedule as at 31 March 2021	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	5.22	-	25.32	0.03	-	-	**30.57**
Undisputed dues of creditors other than micro enterprises and small enterprises	213.71	278.91	679.05	3.60	-	-	**1,175.27**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**
	218.93	**278.91**	**704.37**	**3.63**	**-**	**-**	**1,205.84**

22 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Current			
Interest accrued but not due on borrowings	-	-	2.20
Interest accrued and due on borrowings	3.12	-	-
Redemption premium accrued but not due on debenture	-	-	2.36
Payable to employees	1.21	14.74	5.59
Capital creditors	3.78	16.00	-
Total	**8.11**	**30.74**	**10.15**

Refer note 35 - Financial instruments, fair values and risk measurement

23 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Current			
Contract liabilty (Advance received from customers)	7.68	60.28	1.32
Statutory dues (includes goods and services tax, tax deducted at source, provident fund, etc.)	28.51	15.61	18.40
Liability towards unspent corporate social responsibility obligation	2.17	7.16	-
Total	**38.35**	**83.05**	**19.72**

(All amounts are in Rs. million, unless otherwise stated)

24 REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	28,707.64	13,137.16
Other Operating Income	21.37	0.87
Total Revenue from Operations	**28,729.01**	**13,138.03**

(i) Reconciliation of Revenue from sale of products with the contracted price:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contracted Price	36,127.84	16,472.26
Less: Returns	(2,725.27)	(1,238.86)
Less: Discounts	(4,694.93)	(2,096.24)
Sale of products	**28,707.64**	**13,137.16**

(ii) Contract balances:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contract Liabilities (refer note 23)	7.68	60.28

Note: Contract liaibilities represent advance received from customers for sale of products at the reporting date.

(iii) Movement in contract liabilities during the year:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance as at beginning of the year	60.28	1.32
Revenue recognised that was included in the contract liability balance at the beginning of the year	(60.28)	(1.32)
Advance received during the year	7.68	60.28
Balance as at end of the year	**7.68**	**60.28**

(iv) Disaggregation of revenue from contracts with customers:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Based on geographies		
Within India	28,707.64	13,137.16
Outside India	-	-
Total	**28,707.64**	**13,137.16**
Based on business segments		
Audio	22,760.15	12,285.73
Wearables	5,155.13	548.05
Others	792.36	303.38
Total	**28,707.64**	**13,137.16**

Notes to the Standalone Financial Statements for the year ended 31 March 2022
(All amounts are in Rs. million, unless otherwise stated)

25 OTHER INCOME

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest Income		
- From Banks (calculated using the effective interest method for financial assets)	96.63	21.38
- From Others	2.15	1.08
Other non-operating income		
- Fair valuation gain from investments designated at FVTPL (net)*	2.51	1.17
- Liabilities no longer required, written back	0.45	0.03
- Provisions no longer required, written back	6.41	14.33
- Gain on derecognition of liability component of CCPS	-	20.43
- Other non-operating income (includes miscellaneous income, etc.)	26.92	7.30
Total	**135.07**	**65.72**

* Fair valuation gain from investments designated at FVTPL includes Rs. Nil (31 March 2021: Rs. Nil) as 'Net gain or loss on sale of investments'.

26 PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of stock-in-trade	25,847.78	12,547.02
Total	**25,847.78**	**12,547.02**

27 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventory at the beginning of the year	3,088.23	749.58
Inventory at the end of the year	5,457.34	3,088.23
Total changes in inventories of stock-in-trade	**(2,369.11)**	**(2,338.65)**

28 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, stipend, bonus and other allowances	340.72	127.88
Contribution to provident fund and other funds	9.79	3.62
Defined benefit plan expenses (refer note 39)	2.17	1.19
Compensated absence	11.54	4.69
Share based payment expense (refer note 40)	155.72	11.82
Total	**519.94**	**149.20**

29 FINANCE COSTS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest cost on financial liabilities measured at amortized cost		
- Debentures	-	6.82
- Other borrowings	312.99	74.98
- Liability component of compound financial instruments	-	9.85
- Lease liabilities	10.81	5.53
Interest cost on others		
- Net defined benefit liability (refer note 39)	0.14	0.05
- Others (includes interest on income taxes)	-	15.00
Other borrowing costs (includes processing charges)	8.95	6.55
Total	**332.89**	**118.78**

(All amounts are in Rs. million, unless otherwise stated)

30 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation for property, plant and equipment	16.18	7.96
Depreciation of right-of-use assets	44.74	21.44
Amortisation of intangible assets	4.89	2.58
Total	**65.81**	**31.98**

31 OTHER EXPENSES

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Warranty expenses	1,365.98	527.17
Advertisement and promotion expenses	990.57	478.63
Freight and transportation charges	432.75	217.48
Legal and professional expenses	171.23	61.59
Contract labour charges	93.02	40.96
Payment to auditor (refer note i below)	19.29	3.66
Lease expense	16.06	7.33
Rates, fees and taxes	41.44	12.68
Repair and maintanance expense	24.47	5.05
Royalty Expenses	1.73	-
Expenses towards corporate social responsibility (refer note ii below)	12.97	7.36
Provision for impairment of non-current investment	-	50.00
Provision for loss allowance for trade receivables	7.05	-
Provision for doubtful advances	38.16	28.63
Provision for doubtful interest receivable on trade advance	-	1.77
Miscellaneous expenses	161.63	77.59
Total	**3,376.35**	**1,519.90**

(i) Payment to Auditor (excluding applicable taxes)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
As auditors:		
- Statutory audit	3.30	2.50
- Limited review	-	1.00
- Certification	0.10	0.05
- Other Services	15.07	-
For reimbursement of expense	0.82	0.11
Total	**19.29**	**3.66**

Note: The other services includes Rs. 14.77 million fees towards proposed DRHP deliverables.

(ii) Expenses towards corporate social responsibility

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a)	Gross amount required to be spent by the Company during the year	12.97	5.82
(b)	Actual amount spent by the Company during the year		
	Amount spent during the year on (paid in cash) :		
	Construction /acquisition of any asset	-	-
	On purpose other than above	10.81	0.20
	Amount spent during the year on (yet to be paid in cash) :		
	Construction /acquisition of any asset	-	-
	On purpose other than above (Refer note j below)	2.17	7.16
		12.97	**7.36**

(All amounts are in Rs. million, unless otherwise stated)

(c) Movements in Liability towards unspent corporate social responsibility obligation

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
At the beginning of the year	7.16	-
Add: Provision created during the year	2.17	7.16
Less: Provision utilised during the year	(7.16)	-
At the end of the year	**2.17**	**7.16**

(d)	Shortfall at the end of the year (paid subsequent to year end) (refer note (i) and (j) below)	-	-
(e)	Total of previous years shortfall	-	-
(f)	Reason for shortfall	Not Applicable	Not Applicable

(g) Nature of CSR activities includes supply of oxygen cylinders during Covid-19, child educational and talent development and child cancer treatment

(h) There were no CSR spends which were incurred by the Company through its related party.

(i) During the year ended 31 March 2021, the Company recorded a provision of Rs 7.16 million (including deficit of FY 2019-20) for unspent corporate social responsibility expenses as at year end and was subsequently deposited in Prime Minister Care Fund on 16 September 2021.

(j) During the year ended 31 March 2022, the Company recorded a provision of Rs 2.17 million for unspent corporate social responsibility expenses as at year end and was subsequently deposited in Prime Minister Care Fund on 23 September 2022 and 29 September 2022.

(k) The Company has not spent any excess amount during the year.

(l) The Company does not have any ongoing projects as at 31 March 2022.

(All amounts are in Rs. million, unless otherwise stated)

32 EARNING PER SHARE ('EPS')

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit attributable to equity holders:		
Basic earnings	788.20	858.70
Add: Interest cost on liability component of compound financial instrument (net of tax)	-	7.37
Adjusted for the effect of dilution	788.20	866.07
Weighted average number of Equity Shares for:		
Basis EPS		
Number of equity shares at the beginning of the year	45,066	50,000
Add: Shares issued on conversion of CCPS during the year	2,559	-
Add: Issue of Equity Shares on exercise of employee stock option	3,16,800	-
Add: Issue of Equity Shares during the year	4,63,500	-
Add: Bonus shares issued during the year *	94,77,375	99,50,000
Add: Equity shares arising on share split from Rs. 10 to Re. 1 per share	8,57,25,000	-
Less: Shares bought back during the year	-	(9,86,800)
Number of equity shares outstanding at the end of the year	9,60,30,300	90,13,200
Number of equity shares outstanding at the end of the year (post share split) @	9,60,30,300	9,01,32,000
Number of instruments completely in the nature of equity at the beginning of the year	20,616	-
Add: Shares issued during the year	1,762	15,507
Add: Instrument classified as completely in the nature of equity during the year	-	5,109
Less: Shares converted into equity shares during the year	(2,559)	-
Add: Bonus shares issued during the year *	5,07,450	10,16,691
Number of equity shares outstanding at the end of the year	5,27,269	10,37,307
Number of equity shares outstanding at the end of the year (post share split) @	52,72,690	1,03,73,070
Total of equity shares and instruments completely in the nature of equity	9,65,57,569	1,00,50,507
Total of equity shares and instruments completely in the nature of equity ((post share split) @)	10,13,02,990	10,05,05,070
Weighted average number of shares outstanding during the year for Basic EPS	13,48,35,173	10,14,70,780
Diluted EPS		
Weighted average number of shares outstanding during the year for Basic EPS	13,48,35,173	10,14,70,780
Add: Weighted average number of preference shares outstanding during the year, to be converted into equity shares (other than those classified as instruments completely in the nature of equity	-	78,10,470
Add: Employee stock options outstanding	1,19,700	2,68,000
Weighted average number of shares outstanding during the year for Diluted EPS	13,49,54,873	10,95,49,250
Earnings Per Share (Rs.):		
Basic	5.85	8.46
Diluted	5.84	7.91

For the purpose of computing Basic EPS, equity shares which will be issued upon conversion of Instrument entirely Equity in nature have been considered from the date of their issue.

* The Company has issued bonus share in the ratio of 1:199 during the year ended 31 March 2022 (refer note 16(f)). In line with the requirements of Para 28 of Ind AS 33, for the purpose of EPS calculations, bonus shares issued have been considered as if the event of bonus issue had occurred at the beginning of the earliest period presented.

@ Pursuant to the resolutions passed by the Board of Directors on 15 December 2021 and the Shareholders on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share. Accordingly, the issued, subscribed and paid-up equity share capital of the Company being 9,525,000 equity shares of Rs. 10 each was sub-divided into 95,250,000 equity shares. The number of shares to be used in the Basic EPS and Diluted EPS calculation in respect of the period presented above have been accordingly adjusted to give retrospective effect to the share split.

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

33 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(i) Contingent Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Contingencies		
Indirect Tax matters (refer note(a))	341.98	-
Claims against the Company not acknowledged as debts		
Dividend on 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each @	0.01	0.00

(a) The Company has received a show cause notice from the Commissioner of Customs (Import) alleging incorrect classification of the product "Bluetooth Headphone". The Company has filed an appeal before Commissioner of Customs (Import) ACC Sahar. The Company believes that the demand will not materialise and hence the same has been disclosed as contingent liability.

(b) @ The Company has issued 17,269 (31 March 2021: 15,507) 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 2022, the arrears of preferred cumulative dividend not yet declared by the Company amounts to Rs 12,496 (31 March 2021: Rs. 2,192)

(c) There are no other contingent liabilities as on 31 March 2022 (31 March 2021: Nil)

(ii) Contingent assets

There are no contingent assets as on 31 March 2022 (31 March 2021: Nil)

34 COMMITMENTS

	Particulars	As at 31 March 2022	As at 31 March 2021
A.	**Lease commitments**		
	Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets, leases with term less than twelve months and variable leases.		
	Not later than one year	15.66	0.25
	Later than one year and not later than five years	-	-
	Later than five years	-	-
		15.66	**0.25**
B.	**Capital commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	-	-
C.	**Other commitments**	-	-
	The company has given support letter to provide financial support to one of its subsidiaries - Dive Marketing Private Limited		

(All amounts are in Rs. million, unless otherwise stated)

35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS

A. Financial instruments by category and their fair value

The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	Note	Carrying amount As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
FINANCIAL ASSETS				
Financial assets measured at fair value				
Investments measured at				
- Fair value through profit or loss	*7*	26.98	24.48	23.31
Financial assets measured at amortised cost				
Investments in Subsidiaries and Associate	*6*	2,336.74	-	50.00
Trade receivables	*12*	3,227.37	754.83	552.75
Cash and cash equivalents	*13*	302.22	1,443.93	73.15
Bank balance other than cash and cash equivalents	*14*	1,575.84	45.00	12.50
Loans	*15*	34.21	0.59	0.93
Other financial assets	*8*	2,566.51	23.46	16.55
Total financial assets		**10,069.88**	**2,292.29**	**729.19**
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Borrowings	*18*	9,211.32	415.33	488.11
Lease liabilities	*19*	135.65	101.62	54.90
Trade payables	*21*	2,188.68	1,205.84	343.50
Other financial liabilities	*22*	8.11	30.74	10.15
Total financial liabilities		**11,543.76**	**1,753.53**	**896.66**

B. Fair Value Hierarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:
Level 1: Quoted prices for identical instruments in an active market;
Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

Particulars	Level 1	Level 2	Level 3	Total
As at 31 March 2022				
Assets at fair value				
Investments in mutual funds	26.98	-	-	26.98
As at 31 March 2021				
Assets at fair value				
Investments in mutual funds	24.48	-	-	24.48
As at 01 April 2020				
Assets at fair value				
Investments in mutual funds	23.31	-	-	23.31

There have been no transfers between Level 1 and Level 2 during the reporting periods.

(All amounts are in Rs. million, unless otherwise stated)

35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

B. Fair Value Hierarchy *(Continued)*

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31 March 2021.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Other financial assets and liabilities

Fair value of financial assets and liabilities measured at amortised cost (cash and cash equivalents, other bank balance, trade receivables, other financial assets, trade payables, borrowings, lease liabilities and other financial liabilities) is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

C. Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

(i) Management of Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Financing arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Cash credit facilities (includes bank overdraft and working capital facilities)	719.76	773.61	288.80
Other financing arrangements (includes bill discounting, letter of credit, etc.)	569.83	44.89	20.00
	1,289.59	**818.50**	**308.80**

(All amounts are in Rs. million, unless otherwise stated)

35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

C. Financial risk management *(continued)*

(i) Management of Liquidity Risk *(continued)*

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest receipts / payments and exclude the impact of netting agreements.

Particulars			Undiscounted Amount		
	Note	Carrying amount	Within 1 year	More than 1 year	Total
As at 31 March 2022					
Financial liabilities (non derivative liabilities)					
Borrowings	*18*	9,211.32	9,211.32	-	9,211.32
Lease liabilities	*19*	135.65	41.36	103.40	144.76
Trade payables	*21*	2,188.68	2,188.68	-	2,188.68
Other financial liabilities	*22*	8.11	8.11	-	8.11
As at 31 March 2021					
Financial liabilities (non derivative liabilities)					
Borrowings	*18*	415.33	415.33	-	415.33
Lease liabilities	*19*	101.62	24.57	86.39	110.96
Trade payables	*21*	1,205.84	1,205.84	-	1,205.84
Other financial liabilities	*22*	30.74	30.74	-	30.74
As at 01 April 2020					
Financial liabilities (non derivative liabilities)					
Borrowings	*18*	488.11	435.11	252.00	687.11
Lease liabilities	*19*	54.90	13.49	47.48	60.97
Trade payables	*21*	343.50	343.50	-	343.50
Other financial liabilities	*22*	10.15	10.15	-	10.15

(All amounts are in Rs. million, unless otherwise stated)

35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

C. Financial risk management *(continued)*

(ii) Management of Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.

The Company size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:
- currency risk
- price risk
- interest rate risk

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The functional currency of the Company is Indian Rupees and its revenue is generated from operations in India. The Company does not enter into any derivative instruments for trading or speculative purposes. The Company's borrowings are all in Indian rupees.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Payable			
USD			
Amount in foreign currency	7.70	5.10	0.14
Amount in INR	583.77	372.57	10.73

The Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Particulars		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
5% strengthening of INR compared to USD	Profit or (Loss)	29.19	18.63	0.54
5% strengthening of USD compared to INR	Profit or (Loss)	(29.19)	(18.63)	(0.54)
5% strengthening of INR compared to USD	Equity (net of tax)	21.84	13.94	0.40
5% strengthening of USD compared to INR	Equity (net of tax)	(21.84)	(13.94)	(0.40)

Price risk

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds.

The carrying amounts of the Company's investment in mutual funds are as follows:

Particulars		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Investments in mutual funds		26.98	24.48	23.31
Sensitivity analysis:				
1% increase in prices	Profit or (Loss)	0.27	0.24	0.23
1% decrease in prices	Profit or (Loss)	(0.27)	(0.24)	(0.23)
1% increase in prices	Equity (net of tax)	0.20	0.18	0.17
1% decrease in prices	Equity (net of tax)	(0.20)	(0.18)	(0.17)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's portfolio of borrowings comprise of fixed rate loans which are monitored continuously in the light of market conditions.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(All amounts are in Rs. million, unless otherwise stated)

35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

C. Financial risk management *(continued)*

(iii) Management of Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Company. The potential activities where credit risks may arise include from cash and cash equivalents and security deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

Trade receivables

The Company's exposure to credit risk is the exposure that Company has major business dealings with few parties to whom sales are made on credit basis and the contracted consideration is yet to be received. The Company's majority customer base are ecommerce marketplace players.

The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The Company has considered an assessment of past history and has taken into account various factors including future forecast conditions for determination of allowance for expected credit loss.

Refer to note 12 (iv) for ageing for trade receivables from the due date of payment.

The provision for impairment of trade receivables, movement of which has been provided in note 12 (iii), is not significant / material.

Other financial assets

The Company maintains exposure in cash and cash equivalents and term deposits with banks. The Company has set counter-party limits based on multiple factors including financial position, credit rating, etc. The Company's maximum exposure to credit risk as at 31 March 2022, 31 March 2021, 01 April 2020 is the carrying value of each class of financial assets.

36 CAPITAL MANAGEMENT

The Company defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company (which is the Company's net asset value). The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows.

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Borrowings (refer note 18)	9,211.32	415.33	488.11
Lease liabilities (refer note 19)	135.65	101.62	54.90
Total debt liabilities	9,346.97	516.95	543.01
Less : Cash and bank balances (refer note 13)	(302.22)	(1,443.93)	(73.15)
Less : Bank balance other than cash and cash equivalents (refer note 14)	(1,575.84)	(45.00)	(12.50)
Less : Bank deposits with remaining maturity more than 1 year (refer note 8)	-	-	-
Less : Bank deposits with remaining maturity less than 1 year (refer note 8)	(2,436.19)	-	-
Adjusted net debt	5,032.72	(971.98)	457.36
Total equity	6,101.50	4,641.68	721.96
Adjusted net debt to adjusted equity ratio	0.82	(0.21)	0.63
Debt equity considering only borrowings as debt	1.51	0.09	0.68

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022, 31 March 2021 and as at 1 April 2020

(All amounts are in Rs. million, unless otherwise stated)

37 RELATED PARTY DISCLOSURES

A. Names of the related parties of the Company

Entity having significant influence	South Lake Investment Ltd (with effect from 5 January 2021)
Subsidiary company	Dive Marketing Private Limited (with effect from 3 June 2021) HOB Ventures Private Limited (with effect from 31 December 2021) Imagine Marketing Singapore Pte. Ltd. (with effect from 29 November 2021) Kaha Pte Ltd (with effect from 11 February 2022) Kaha Technologies Private Limited (with effect from 2 February 2022)
Associate company	Sirena Labs Private Limited (with effect from 5 November 2019)
Key management personnel (KMP)	Mr. Aman Gupta - Director Mr. Sameer Mehta - Director Mr. Kanwaljit Singh - Director (with effect from 17 April 2018 upto 8 January 2022) Mr. Anish Saraf - Director (with effect from 5 January 2021) Mr. Vikram Chogle - Director (with effect from 5 January 2021, resigned with effect from 19 January 2022) Mr. Aashish Kamat - Independent Director (with effect from 12 November 2021) Mr. Anand Ramamoorthy - Independent Director (with effect from 12 November 2021) Mr. Deven Waghani - Independent Director (with effect from 15 December 2021) Ms. Purvi Sheth - Independent Director (with effect from 12 November 2021) Mr. Vivek Gambhir - Chief Executive Officer (with effect from 9 February 2021) Mr. Ankur Sharma - Chief Financial Officer (with effect from 4 June 2021) Ms. Dhara Joshi - Company Secretary (with effect from 13 May 2021 upto 5 May 2022) Mr. Mukesh Ranga - Company Secretary (with effect from 5 May 2022)
Entities in which KMP have significant influence	Redwood Interactive (Partnership firm, were one of the Director is intrested) Kores (India) Limited (up to 30 September 2020)

B. Disclosure of transactions between the Company and related parties

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sales of goods		
Sirena Labs Private Limited	-	0.10
Kores (India) Limited	-	0.09
Purchase of goods		
Sirena Labs Private Limited	3.24	5.44
Redwood Interactive	0.01	15.79
Kaha Pte. Ltd.	34.98	-
Purchase of Services		
Kaha Pte. Ltd.	3.45	-
Royalty expense		
Dive Marketing Private Limited	1.73	-
Rent income		
Dive Marketing Private Limited	0.18	-
Rent expenses		
Redwood Interactive	-	0.28
Reimbursement of expenses received		
Sirena Labs Private Limited	-	0.18
Mr. Sameer Mehta	-	0.01
Redwood Interactive	-	0.02

Notes to the Standalone Financial Statements for the year ended 31 March 2022
(All amounts are in Rs. million, unless otherwise stated)

37 RELATED PARTY DISCLOSURES (CONTINUED)

B. Disclosure of transactions between the Company and related parties *(continued)*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Reimbursement of expenses paid		
Mr. Aman Gupta	4.77	78.15
Mr. Sameer Mehta	0.03	-
Mr. Ankur Sharma	0.12	-
Redwood Interactive	-	0.01
Mr. Vivek Gambhir	0.22	-
Ms. Dhara Joshi	0.01	-
Contribution paid towards equity share capital		
Dive Marketing Private Limited	0.10	-
HOB Ventures Private Limitied	310.10	-
Imagine Marketing Singapore Pte. Ltd.	1,949.29	-
Advance received back		
Sirena Labs Private Limited	-	6.50
Loan given		
Dive Marketing Private Limited	27.00	-
HOB Ventures Private Limited	4.69	-
Loan received back		
HOB Ventures Private Limited	4.69	-
Interest income on loan given		
Dive Marketing Private Limited	1.34	-
HOB Ventures Private Limited	0.02	-
Repayment of short-term borrowings (including interest)		
Mr. Aman Gupta	-	1.25
Mr. Sameer Mehta	-	7.45
Interest expense on short-term borrowings		
Mr. Sameer Mehta	-	0.38
Kores (India) Limited	-	-
Advance against supply of goods		
Kaha Pte. Ltd.	105.43	-
Purchase of brand (excluding stamp duty)		
Redwood Interactive	-	50.00
Directors Sitting Fees		
Mr. Aashish Kamat	0.40	-
Ms. Purvi Sheth	0.40	-
Mr. Deven Waghani	0.28	-
Mr. Anand Ramamoorthy	0.45	-
Commission to Directors		
Mr. Aashish Kamat	1.50	-
Mr. Anand Ramamoorthy	1.50	-
Mr. Deven Waghani	1.50	-
Ms. Purvi Sheth	1.50	-

(All amounts are in Rs. million, unless otherwise stated)

37 RELATED PARTY DISCLOSURES (CONTINUED)

B. Disclosure of transactions between the Company and related parties *(continued)*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Issue of preference share capital		
South Lake Investment Ltd	-	4,400.10
Payment made for buy back of equity shares		
Mr. Aman Gupta	-	567.75
Mr. Sameer Mehta	-	567.75
Remuneration to Key management personnel		
Mr. Aman Gupta	16.25	10.00
Mr. Sameer Mehta	16.25	10.00
Mr. Vivek Gambhir	24.57	3.44
Mr. Ankur Sharma	7.26	-
Ms. Dhara Joshi	1.25	-
Share based payments expense		
Mr. Vivek Gambhir	125.68	-
Mr. Ankur Sharma	1.79	-

C. Status of outstanding balances

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables		
Sirena Labs Private Limited	2.64	6.46
Allowance for expected credit loss	(2.64)	(2.64)
Trade payables		
Dive Marketing Private Limited	0.98	-
Sirena Labs Private Limited	1.74	1.74
Redwood Interactive	-	0.03
Capital creditor		
Redwood Interactive	-	16.00
Trade advance receivable		
Sirena Labs Private Limited	13.50	13.50
Allowance for doubtful trade advance	(13.50)	(13.50)
Kaha Pte. Ltd.	258.72	-
Interest receivable on trade advance		
Sirena Labs Private Limited	1.77	1.77
Allowance for doubtful interest receivable on trade advance	(1.77)	(1.77)
Loan receivable		
Dive Marketing Private Limited	27.00	-
Interest receivable on loan		
Dive Marketing Private Limited	1.21	-

(All amounts are in Rs. million, unless otherwise stated)

37 RELATED PARTY DISCLOSURES (CONTINUED)

C. Status of outstanding balances (continued)

Particulars	As at 31 March 2022	As at 31 March 2021
Reimbursement of expenses payable		
Mr. Vivek Gambhir	0.20	-
Remuneration payable to Key management personnel @		
Mr. Aman Gupta	-	0.16
Mr. Sameer Mehta	-	0.57
Mr. Vivek Gambhir	-	1.64

@ 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 ended 31 March 2021, the Company has recognised a provision for impairment against the investment in associate company - Refer note 6

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

i Personal guarantee of Mr. Sameer Mehta and Mr. Aman Gupta for the cash credit facility with Citi, ICICI and RBL banks.

ii 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.

iii 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.

iv 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.

v 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.

vi 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 .

vii 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.

During the year ended 31 March 2022, all the above pledges have been removed and there are no active pledge as at 31 March 2022.

E. Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables other than those mentioned in note 37D. For the year ended 31 March 2022, the Company has recorded impairment of receivables relating to amounts owed by related parties (see note 37C). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(All amounts are in Rs. million, unless otherwise stated)

38 SEGMENT INFORMATION

A. Business Segments

The Company has determined following reporting segments based on the information reviewed by the Company's Chief Operating Decision Maker ('CODM'):

(i) Audio includes wired earphone, wireless earphone, wired headphone, wireless headphone, wireless speakers and soundbar.
(ii) Wearables include smart watches.
(iii) Others includes cables, charges, mens grooming kit and gaming equipments.

The above business segments have been identified considering:

(i) the nature of products
(ii) the differing risks and returns
(iii) the internal organisation and management structure, and
(iv) the internal financial reporting systems

The Chief Executive Officer of the Company, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM.

Segment Results are arrived at based on segment revenues less direct and allocable cost associated with the segment.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue		
External revenue		
Audio	22,760.15	12,285.73
Wearables	5,155.13	548.05
Others	792.36	303.38
	28,707.64	**13,137.16**
Inter segment		
Audio	-	-
Wearables	-	-
Others	-	-
	-	**-**
Total		
Audio	22,760.15	12,285.73
Wearables	5,155.13	548.05
Others	792.36	303.38
	28,707.64	**13,137.16**
Result		
Audio	2,030.06	1,406.81
Wearables	(299.48)	56.96
Others	25.62	9.21
Segment Results	**1,756.20**	**1,472.98**
Un-allocated corporate expenses net of un-allocated income	(489.33)	(238.60)
Other income	156.44	65.72
Finance costs	(332.89)	(118.78)
Profit before tax	**1,090.42**	**1,181.32**
Tax expense		
Current tax	306.88	327.33
Deferred tax	(4.66)	(10.51)
Total tax expense	**302.22**	**316.82**
Profit for the year	**788.20**	**864.50**

(All amounts are in Rs. million, unless otherwise stated)

38 SEGMENT INFORMATION (CONTINUED)

B. Other Information

Particulars	As at 31 March 2022	As at 31 March 2021
Segment Assets		
Audio	8,037.43	4,077.03
Wearables	1,782.49	110.52
Others	561.64	188.15
Total segment assets	10,381.57	4,375.70
Unallocated corporate assets	8,360.44	2,408.57
Total assets	**18,742.01**	**6,784.27**
Segment Liabilities		
Audio	1,650.65	1,175.70
Wearables	466.24	49.63
Others	79.51	40.79
Total segment liabilities	2,196.40	1,266.12
Unallocated corporate liabilities	10,444.11	876.47
Total liabilities	**12,640.51**	**2,142.59**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Capital expenditure		
Audio	-	-
Wearables	-	-
Others	-	-
Unallocated	24.74	67.90
Depreciation/Amortisation		
Audio	-	-
Wearables	-	-
Others	-	-
Unallocated	65.81	31.98
Non-cash expenses other than depreciation		
Audio	-	-
Wearables	-	-
Others	-	-
Unallocated	-	-

C. Additional information by geographies

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue by Geographical Market		
India	28,707.64	13,137.16
Outside India	-	-

Particulars	As at 31 March 2022	As at 31 March 2021
Carrying Amount of Segment Assets		
India	10,381.57	4,375.70
Outside India	-	-
Non-current assets *		
India	363.81	163.71
Outside India	-	-

* Non-current assets excludes financial instruments and deferred tax assets.

D. Revenue from major customers

The Company earns revenue from few of its major customers which individually amounts to 10 per cent or more of the Company's revenues. Details of such customers (i.e. the total amount of revenues from each such customer) are disclosed below. Revenue from such customers are reported under all the segments of the Company.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Customer 1	9,105.37	5,428.97
Customer 2	7,984.17	5,569.32

(All amounts are in Rs. million, unless otherwise stated)

39 EMPLOYEE BENEFIT PLANS

A. Defined Contribution Plan

Amount incurred and paid towards contribution to provident fund, Labour Welfare Fund and employees' state insurance corporation is recognised as an expense and included in employee benefit expense:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contribution to provident fund and other funds	9.79	3.62

B. Defined Benefit Plan

(i) Description of Plan

Retirement Benefit Plan of the Company include Gratuity. 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 Companies policies. Gratuity plan is unfunded.

(ii) Balance Sheet

The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Fair value of plan assets	-	-	-
Present value of obligations	(6.46)	(2.05)	(0.80)
(Liability) recognised in balance sheet	**(6.46)**	**(2.05)**	**(0.80)**

Movements in Present Value of Obligation:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Defined benefit obligation at the commencement of the year	2.05	0.80	0.26
Current service cost	2.16	1.19	0.36
Past service cost	-	-	-
Interest cost	0.13	0.05	0.02
Actuarial losses / (gains)	2.12	0.01	0.16
Benefits paid	-	-	-
Defined benefit obligation at the end of the year	**6.46**	**2.05**	**0.80**
Provision for gratuity (under Non-Current provisions) (Refer note 20)	6.34	2.02	0.79
Provision for gratuity (under Current provisions) (Refer note 20)	0.12	0.03	0.01
	6.46	**2.05**	**0.80**

(iii) Standalone statement of profit and loss

The charge to the Standalone statement of profit and loss comprises:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Employee Benefit Expenses:		
Current service cost	2.16	1.19
Past service cost	-	-
	2.16	**1.19**
Finance costs:		
Interest cost	0.13	0.05
Interest income	-	-
	0.13	**0.05**
Net impact on profit (before tax)	**2.29**	**1.24**
Remeasurement of the net defined benefit plans:		
Actuarial (gains)/losses arising from changes in financial assumptions	(0.35)	0.01
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from experience adjustments	2.47	0.00
Net impact on other comprehensive income (before tax)	**2.12**	**0.01**

(All amounts are in Rs. million, unless otherwise stated)

39 EMPLOYEE BENEFIT PLANS (CONTINUED)

(iv) Assumptions

With the objective of presenting the plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Financial Assumptions			
Discount rate (per annum)	7.25%	6.80%	6.85%
Salary Escalation Rate (per annum)	7.00%	7.00%	7.00%

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.

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

Demographic Assumptions	Age			
Withdrawal Rate	25 and below	10.00%	10.00%	10.00%
	25 to 35	8.00%	8.00%	8.00%
	35 to 45	6.00%	6.00%	6.00%
	45 to 55	4.00%	4.00%	4.00%
	55 and above	2.00%	2.00%	2.00%
Mortality Rate		Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult

(v) Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

Particulars			As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Discount rate (per annum)	Increase	0.50%	(6.09)	(1.92)	(0.75)
	Decrease	0.50%	6.85	2.19	0.85
Salary escalation rate (per annum)	Increase	0.50%	6.70	2.15	0.84
	Decrease	0.50%	(6.22)	(0.20)	(0.76)
Withdrawal Rate	Increase	W.R. x 110%	(6.44)	(2.03)	(0.79)
	Decrease	W.R. x 90%	6.46	2.08	0.81

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous years.

(vi) Weighted average duration of the defined benefit plan:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Gratuity plan	12.50	12.55	12.13

(vii) Expected future cash flows in respect of gratuity:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Less than a year	0.12	0.03	0.01
Between 2-5 years	1.43	0.40	0.15
More than 5 years	3.27	0.96	0.38

C. Compensated absences

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Expense towards compensated absences included in Employee Benefit expenses	11.54	4.69	1.10

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Provision for compensated absences	17.04	5.62	1.09

(All amounts are in Rs. million, unless otherwise stated)

40 SHARE BASED PAYMENTS

Equity Settled Share Based Payments

Employees Stock Option Plan 2019 ('ESOP 2019')

The ESOP 2019 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 ESOP 2019 entitles eligible employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2019, holders of vested options are entitled to purchase an equity share for every option at an exercise price as stated in the grant letter.

Management Stock Option Plan 2021 ('ESOP 2021')

The ESOP 2021 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 ESOP 2021 entitles eligible employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2021, 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
ESOP 2019	Eligible Employees	Continued employment with Company	4 years
ESOP 2021	Eligible Employees	Continued employment with Company	4 years

Scheme	Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (Rs.) per share (refer note below)	Weighted Average Exercise Price (Rs.) per share
ESOP 2019	2019	16 November 2019	256	Graded vesting over 4 years from grant date	7 years from date of vesting	30.27	30.27
	2020	15 November 2020	453	Graded vesting over 4 years from grant date	7 years from date of vesting	30.27	30.27
	2021	25 March 2021	50	Graded vesting over 4 years from grant date	7 years from date of vesting	30.27	30.27
	2022	25 October 2021	14,33,500	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2022	25 October 2021	30,000	Vesting over 1 years from grant date	7 years from date of vesting	141.88	141.88
	2022	2 December 2021	14,250	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2022	1 February 2022	4,10,000	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2022	29 March 2022	5,37,400	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
ESOP 2021	2021 - 1	13 April 2021	2,062	Grade vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2021 - 2	13 April 2021	687	4 years from grant date	7 years from date of vesting	141.88	141.88

Note:

(i) The original exercise price for the shares granted under the ESOP 2019 on 16 November 2019, 15 November 2020 and 25 March 2021 was Rs. 60,532 per share. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Company adjusted the exercise price for ESOPs under the ESOP 2019 in accordance with their terms of issuance as set out in the ESOP 2019 and the amended from Rs. 60,532 to Rs. 302.66. Further on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share resulting in adjustment of exercise price from Rs. 302.66 to Rs 30.27.

(ii) The original exercise price for the shares granted under the ESOP 2021 on 13 April 2021 was Rs. 283,749 per share. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Company adjusted the exercise price for ESOPs under the ESOP 2021 in accordance with their terms of issuance as set out in the ESOP 2021 and the amended from Rs. 283,749 to Rs. 1,418.75. Further on December 15, 2021 the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share resulting in adjustment of exercise price from Rs. 1,418.75 to Rs 141.88.

(All amounts are in Rs. million, unless otherwise stated)

40 **SHARE BASED PAYMENTS (CONTINUED)**

Note *(continued)* :

(iii) The original exercise price for the shares granted under the ESOP 2019 on 25 October 2021 and 02 December 2021 was Rs. 1,418.745 per share. Pursuant to the Corporate Event on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share, the Company adjusted the exercise price for ESOPs under the ESOP 2019 in accordance with their terms of issuance as set out in the ESOP 2019 and the amended from Rs. 1,418.75 to Rs. 141.88.

			Number of Share Options				
Scheme	**Year**	**For the year ended**	**Outstanding at the beginning of the year**	**Granted during the year***	**Forfeited/Expired during the year**	**Exercised during the year**	**Outstanding at the end of the year**
ESOP 2019	2019	31 March 2021	256	-	(15)	-	241
		31 March 2022	241	4,81,759	(1,10,000)	(1,96,500)	1,75,500
	2021	31 March 2021	-	453	-	-	453
		31 March 2022	453	9,05,547	(3,08,000)	(1,20,300)	4,77,700
	2021	31 March 2021	-	50	-	-	50
		31 March 2022	50	99,950	-	-	1,00,000
	2022	31 March 2021	-	-	-	-	-
		31 March 2022	-	24,25,150	(42,000)	-	23,83,150
ESOP 2021	2021 - 1	31 March 2021	-	2,062	-	-	2,062
		31 March 2022	2,062	41,21,938	-	-	41,24,000
	2021 - 2	31 March 2021	-	687	-	-	687
		31 March 2022	687	13,73,313	-	-	13,74,000

* Granted during the year includes additional options granted upon issuance of bonus shares to existing shareholders and share split from Rs. 10 each to Re. 1 each (refer note 16(f))

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Weighted average equity share price at the date of exercise of options during the year	141.88	-
Weighted average remaining contractual life of options (years) as at the end of the year	8.46	9.10

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model:

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Risk-free interest rate (%)	5.08% to 6.84%	5.96%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	4 to 7.33 years	4.5 to 6 years
Expected volatility (%)	14.89% to 21.82%	76.24%
Dividend yield	0.00%	0.00%

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

Effect of share based payment transactions on the Standalone statement of profit and loss:

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Equity settled share based payments	155.72	11.82
Total expense recognized under "Employee benefits expense"	**155.72**	**11.82**

41 **INVESTMENT IN SIRENA LABS PRIVATE LIMITED**

The Company had invested Rs. 50,000,017 in Sirena Labs Private Limited (“SLPL”) on 5 November 2019 pursuant to which 3,703 equity shares of Rs. 10 each of SLPL were issued to the Company which accounted for 27% share by the Company in SLPL.

During the year ended 31 March 2021, on account of non-payment of dues by SLPL, the Company initiated a legal dispute against the management of SLPL. As a result, the entire carrying value of the Company’s investment in SLPL was provided for.

42 During the year ended 31 March, 2022, the Company had filed Draft Red Herring Prospectus (DRHP)with SEBI in connection with the proposed Initial Public Offer (IPO) of equity shares of the Company by way of fresh issue and an offer for sale by the existing shareholders, the Company has confirmed that it is in the process of withdrawing the DRHP application filed with Securities and Exchange Board of India (SEBI). The Company had incurred expenses to the tune of Rs 83.71 million which has been charged to the statement of Profit and Loss in the current year.

(All amounts are in Rs. million, unless otherwise stated)

43 RATIOS AS REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

A. Computation of ratios:

	Particulars	Numerator	Denominator	Year ended 31 March 2022	Year ended 31 March 2021	% variance 31 March 2022 vs 31 March 2021
(i)	Current ratio (in times)	Current assets	Current liabilities	1.27	3.18	-59.97%
(ii)	Debt-equity ratio (in times)	Total Debt	Shareholder's Equity	1.51	0.09	1587.20%
(iii)	Debt service coverage ratio (in times)	Earnings available for debt service	Debt Service	2.92	6.33	-53.84%
(iv)	Return on equity ratio (in %) .	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	14.67%	32.02%	-54.17%
(v)	Inventory turnover ratio(in times)	Cost of goods sold	Average Inventory	5.49	5.32	3.29%
(vi)	Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade receivables	14.43	20.10	-28.20%
(vii)	Trade payables turnover ratio (in times)	Purchase of stock-in-trade + Other expenses	Average Trade payables	16.38	17.36	-5.68%
(viii)	Net capital turnover ratio (in times)	Revenue from operations	Working Capital	8.45	2.93	188.66%
(ix)	Net profit ratio (in %)	Profit for the year (after tax)	Revenue from operations	2.74%	6.54%	-58.02%
(x)	Return on capital employed (in %)	Earning before interest and taxes	Capital Employed	9.29%	25.59%	-63.68%
(xi)	Return on investment (in %)	Interest income from bank	Fixed deposits	2.41%	1.48%	62.99%

Definitions:

(a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
(b) Debt service = Interest & Lease Payments + Principal Repayments
(c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2
(d) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
(e) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
(f) Working capital = Current assets - Current liabilities.
(g) Earning before interest and taxes = Profit before tax + Interest expense
(h) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

B. Explanation for change in the ratio by more than 25%:

	Particulars	Variance explanation 31 March 2022 vs 31 March 2021
(i)	Current ratio	Increase in current liability is largerly due to increase in borrowings to fund working capital requirements of the Company.
(ii)	Debt-equity ratio	Increase in Debt is due to increase in borrowings to fund working capital.
(iii)	Debt service coverage ratio	Due to increase in borrowings to fund Working Capital and higher cost for finished products, earnings have reduced leading to a low debt service coverage ratio.
(iv)	Return on Equity Ratio	The Return on Equity Ratio has decline as profit after tax has reduced as compared to the previous period
(v)	Trade receivables turnover ratio	Increase in Average Trade Receivables is higher compared to the increase in revenue
(vi)	Net capital turnover ratio	The Company is in a growth phase and has higher working capital requirements.
(vii)	Net profit ratio	The ratio dropped due to increased cost of Finished Products coupled with increase in salary cost, Finance cost and other overheads
(viii)	Return on capital employed	The ratio declined due to higher cost of goods sold and increase in salary cost and other overheads
(ix)	Return on Investment	Interest Income on Fixed Deposit has increased compared to the previous year leading to a higher return on investment in Fixed Deposit

Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

44 FIRST TIME ADOPTION OF IND AS

The Standalone Balance Sheet of the Company as at 31 March 20222, the Standalone Statement of profit and loss, the Standalone statement of changes in equity and the Standalone statement of cash flows for the year ended 31 March 2022 and other financial information has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

In accordance with the transition provision specified under Ind AS 101, The Ind AS adjustments as described above are more fully described in Note 44 of the Standalone Financial Statement.

These are Company's first Standalone Financial Statements prepared in accordance with Ind AS. For the year ended 31 March 2021, the Company had prepared its Standalone Financial Statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 2 have been applied in preparing these Standalone Financial Statements for the year ended 31 March 2022 including the comparative information for the year ended 31 March 2021 and the opening Standalone Ind AS Balance Sheet on the date of transition i.e. 01 April 2020.

In preparing its Standalone Ind AS Balance Sheet as at 01 April 2020 and in presenting the comparative information for the year ended 31 March 2021, the Company has adjusted amounts reported previously in its Standalone Financial Statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its Standalone Financial Statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

A. Exemptions applied:

(i) Mandatory exceptions:

(a) Estimates:

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:
- Fair valuation of financial instruments carried at FVTPL
- Determination of the discounted value for financial instruments carried are amortised cost.
- Impairment of financial assets based on the expected credit loss model.

(b) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

(ii) Optional exemptions:

(a) Deemed cost for property, plant and equipment:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date 1 April 2020.

(b) Leases:

The Company has adopted Ind AS 116 following the full retrospective approach. The Company has applied the following available practical expedients wherein it:
a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics
b) Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

B. Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Notes	As at 31 March 2021	As at 1 April 2020
Total equity reported earlier under previous GAAP		**4,663.01**	**878.00**
Ind AS adjustments			
Leases	(i)	(34.85)	(20.64)
Financial assets measured at amortised cost	(ii)	0.73	0.29
Financial assets measured at FVTPL	(iii)	0.47	(0.69)
Classification of Series A CCPS as compound financial instruments and recognising liability component	(v)	(117.04)	(117.04)
Deferred tax liability recognised on the equity component	(v)	(27.07)	(27.07)
Reversal of Deferred tax liability recognised on the equity component on account of tax rate change	(v)	3.46	3.46
Reclassification of Series A CCPS from liability to Instrument completely in nature of equity	(v)	144.64	-
Reversal of Deferred tax liability recognised on the equity component on account of reclassifition of CCPS	(v)	16.44	-
Allowance for expected credit loss	(vii)	(22.60)	-
Tax adjustments	(viii)	14.49	5.65
Total equity as per Ind AS		**4,641.68**	**721.96**

C. Reconciliation of total comprehensive income between previous GAAP and Ind AS:

Particulars	Notes	Year ended 31 March 2021
Profit for the year reported earlier under previous GAAP		**779.27**
Ind AS adjustments		
Leases	(i)	(14.21)
Financial assets measured at amortised cost	(ii)	0.44
Financial assets measured at FVTPL	(iii)	1.16
Expenses incurred directly in connection with issue of CCPS	(iv)	91.52
Gain on derecognition of liability component of CCPS	(v)	20.43
Share based payment expense	(vi)	(6.17)
Allowance for expected credit loss	(vii)	(22.60)
Remeasurements of the defined benefit plans reclassified to OCI	(viii)	0.01
Tax adjustments	(ix)	8.84
Profit for the year reported earlier under Ind AS		**858.69**
Other comprehensive income (net of tax)		(0.01)
Total comprehensive Income as reported under Ind AS		**858.68**

(All amounts are in Rs. million, unless otherwise stated)

44 FIRST TIME ADOPTION OF IND AS (CONTINUED)

D. Impact of Ind AS adoption on the Statement of Cash Flows

There were no material differences between statement of cash flows as per Ind As and cash flow statement under previous GAAP.

E. Notes to first time adoption

(i) Leases

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Under Ind AS 116, all arrangement that fall under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Company has recognised a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

The impact arising from the change [increase / (decrease)] is as follows:

Statement of Profit and Loss	Year ended 31 March 2021
Rent expense	19.26
Interest expense on financial liabilities measured at amortised cost - on lease liabilities	(15.38)
Depreciation of right-of-use assets	(21.44)
Gain due to reduction in lease rental during COVID-19	3.35
Adjustment before income tax - Profit / (loss)	**(14.21)**

Balance Sheet	As at 31 March 2021	As at 1 April 2020
Right-of-use assets	97.28	53.84
Lease liabilities	101.62	54.90
	198.90	**108.74**

(ii) Financial assets measured at amoritised cost

Under previous GAAP, the security deposits paid for lease rent are shown at the transaction value. Whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting year. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognized as right-of-use assets and is amortized over the period of the lease term .Further, interest is accreted on the present value of the security deposits paid for lease rent.

The impact arising from the change [increase / (decrease)] is as follows:

Statement of Profit and Loss	Year ended 31 March 2021
Interest income from financial assets at amortized cost	0.44
Adjustment before income tax - Profit / (loss)	**0.44**

Balance Sheet	As at 31 March 2021	As at 1 April 2020
Right-of-use assets	0.64	1.49
Other financial assets (Security deposits)	(0.64)	(1.49)
	-	-

(iii) Financial assets measured at FVTPL

Under previous GAAP, the investments in mututal funds were subsequently recognised at cost less provision for dimunition in value. Whereas under Ind AS, the same are subsequently recognised at fair value at the end of every financial reporting period/year. Accordingly, the difference between the cost and the fair value of the mutual funds is recognized as a gain / (loss) in the statement of profit and loss.

The impact arising from the change [increase / (decrease)] is as follows:

Statement of Profit and Loss	Year ended 31 March 2021
Fair valuation gain/(loss) from investments designated at FVTPL	1.16
Adjustment before income tax - Profit / (loss)	**1.16**

Balance Sheet	As at 31 March 2021	As at 1 April 2020
Investments	0.48	(0.69)
	0.48	**(0.69)**

(iv) Expenses incurred directly in connection with issue of CCPS

Under previous GAAP, expenses incurred on issue of share capital were recognised as an expense in the statement of profit and loss. Whereas under Ind AS, the same are recognised directly in other equity. Accordingly, the expenses incured on issue of CCPS have be reclassified to other equity in the financial statements.

The impact arising from the change [increase / (decrease)] is as follows:

Statement of Profit and Loss	Year ended 31 March 2021
Reclass of share issue expense from other expenses to other equity	91.52
Adjustment before income tax - Profit / (loss)	**91.52**

(All amounts are in Rs. million, unless otherwise stated)

44 FIRST TIME ADOPTION OF IND AS (CONTINUED)

E. Notes to first time adoption *(continued)*

(v) Accounting for Series A CCPS

Classification of Series A CCPS as compound financial instruments and recognising liability component

Under previous GAAP, preference shares issued were classified as part of share capital. Whereas under Ind AS, the same are classified as either equity, liability or compound financial instruments based on the terms of the instrument issued. In the case of the Company, the Series A CCPS and Series A1 CCPS (both together referred to as 'Series A CCPS') were issued with a conversion ratio of 1:1 as per the Shareholders Agreements (SHA). However, the SHA also included an Exit clause to the investor (Fireside Ventures Investment Fund - I) through IPO or facilitating and causing sale of inventor's securities to any persion within 6+2 years from the closing date. The Exit price was determined to be no less that 1.2 times the subscription amount paid by the Investor. Accordingly, Series A CCPS were considered to be compound financial instrument as at the trasaction date. (refer note 16 (h)). In lines with the requirement of the Indian accounting standard, the liability component was reclassified from equity and recognised as a financial liability under the heading "Borrowings".

Deferred tax liability recognised on the equity component

A deferred tax liability was recognised on the equity portion of the Series A CCPS in lines with the requirement of Ind AS 12, Income Taxes on the date of initial recognition.

Reversal of Deferred tax liability recognised on the equity component on account of tax rate change

During the year ended 31 March 2020, the Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company re-measured its net deferred tax liabilties basis the rate prescribed in the said section. The impact of this change on the deferred tax liability recognised on the equity component of the compound financial instruments was recognised directly in equity.

Reclassification of Series A CCPS from liability to Instrument completely in nature of equity and Gain on derecognition of liability component of CCPS

During the year ended 31 March 2021, Fireside Ventures Investment Fund - I waived off the right to the Exit clause as mentioned in the SHA dated 4 April 2018 and 31 December 2018 respectively. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature". This results in the reversal of interest accrued from the transaction date to the date of reclassification which was recognised as a gain in the statement of profit and loss.

Reversal of Deferred tax liability recognised on the equity component

The balance deferred tax liability recognised on the equity portion of the Series A CCPS was reversed in the equity.

(vi) Share based payment expense

Under Previous GAAP, the intrinsic value of the employee stock option plan was recognised as an expense over the vesting period. Under Ind AS, the compensation cost of employee stock option plan is recognised based on the fair value of the options determined using an appropriate pricing model at the date of grant. Accordingly, the impact of increase in the Share based payment expense has been recognised in 'Employee benefits expense' in the statement of profit and loss.

Statement of Profit and Loss	Year ended 31 March 2021
Share based payment expense	(6.17)
Adjustment before income tax - Profit / (loss)	**(6.17)**

(vii) Allowance for expected credit loss

Under Previous GAAP, provision for doubtful trade receivables was recognised under an incurred loss model. Under Ind AS, an allowance for trade receivable are recognized using the expected credit loss model. Accordingly, an allowance for expected credit loss model has been recognised in the financial statements.

The impact arising from the change [increase / (decrease)] is as follows:

Statement of Profit and Loss	Year ended 31 March 2021
Provision for loss allowance for trade receivables	(22.60)
Adjustment before income tax - Profit / (loss)	**(22.60)**

Balance Sheet	As at 31 March 2021	As at 1 April 2020
Trade receivables	(22.60)	5.48
	(22.60)	**5.48**

(viii) Remeasurements of the defined benefit plans reclassified to OCI

Under Previous GAAP, the actuarial gain/(loss) of defined benefit plans had been recognised in statement of profit and loss under employee benefits expense. Under Ind AS, the remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income (net of tax).

(ix) Tax adjustments

Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through statement of profit and loss or other comprehensive income.

Statement of Profit and Loss	Year ended 31 March 2021
Tax adjustments on Ind AS adjustments	
Deferred tax impact on right-of-use asset	(10.93)
Deferred tax impact on lease liabilities	11.76
Deferred tax impact on compound financial instrument	2.48
Deferred tax impact on investments measured at FVTPL	(0.34)
Deferred tax impact on security deposits	0.19
Deferred tax impact on other	5.68
Adjustment - Profit / (loss)	**8.84**

F. Regrouping / reclassification

Appropriate adjustments have been made in the Standalone Financial statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the Ind AS presentation requirements.

Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

Notes to the Standalone Financial Statements for the year ended 31 March 2022
(All amounts are in Rs. million, unless otherwise stated)

45 DISCLOSURES PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013

(i) Refer to note 6 for details of investment in subsidiary and associate companies.

(ii) The Company has not given any loan or guarantee or provided any security as covered under Section 186 of the Companies Act, 2013. Accordingly, the disclosure requirements to that extent does not apply to the Company.

46 DISCLOSURE OF STRUCK OFF COMPANIES

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

47 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

48 SUBSEQUENT EVENTS

Subsequent to the year ended 31 March 2022, the Company has incorporated one Joint venture:

Name of the entity	Date of incorporation	Principle business
Califonix Tech And Manufacturing Private Limited	27 April 2022	Contract Manufacturer of Electrical Products

The Company has entered into a Joint Venture Agreement proposing equal shareholding (50%-50%) and with equal directors on board with Dixon Technologies (India) Limited (Dixon JV Agreement) for manufacturing Bluetooth enabled audio devices (except Bluetooth speakers and home audio) and other electronic products, as may be mutually agreed between the parties. On 27 April 2022, a Joint venture company Califonix Tech And Manufacturing Private Limited (Joint Venture) was incorporated.

49 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
(a) Crypto Currency or Virtual Currency
(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

50 Other than disclosed below, No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

Investments made in the equity share capital of Intermediary, during the year:

Name of the Intermediary	Relationship with the Company	Nature of Investment	Date	Amount
HOB Ventures Private Limited	Wholly Owned Subsidiary	3,10,10,000 Equity shares of HOB Ventures Private Limited (Subsidiary company) having face value Rs 10 each, fully paid up	07 February 2022	0.10
			15 February 2022	310.00
Imagine Marketing Singapore Pte Limited	Wholly Owned Subsidiary	2,60,60,000 Equity shares of Imagine Marketing Singapore Pte Ltd having face value USD 1 (at Rs. 74.80/ USD) each, fully paid up	02 February 2022	0.75
			08 February 2022	1,948.54

Investments made by HOB Ventures Private Limited, as intermediary, during the year:

Investee Company	Relationship with the Company	Nature of Investment	Date	Amount
Kimirica Lifestyle Private Limited	Associate Company	476 Equity shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up	23 February 2022	29.99
		4286, 0.01% Non Cumulative Compulsory Convertible Preference Shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up	23 February 2022	270.02

Investments made by Imagine Marketing Singapore Pte Ltd, as intermediary, during the year:

Investee Company	Relationship with the Company	Nature of Investment	Date	Amount
Kaha Pte Ltd	Wholly Owned Subsidiary	26,83,420 Equity shares of Kaha Pte Ltd (Subsidiary Company) having face value of USD 1 each, fully paid	11 February 2022	1,848.53

The above investment is in compliance with the relevant provisions of the Companies Act, 2013 and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)

The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

51 Information with regards to other matters in the Companies Act are either Nil or Not applicable to the Company

As per our report of even date attached

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

AMAR SUNDER Digitally signed by AMAR SUNDER Date: 2022.10.18 21:10:10 +05'30'

Amar Sunder
Partner
Membership No: 078305

Mumbai, 18 October 2022

For and on behalf of the Board of Directors of
Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)
CIN: U52300MH2013PLC249758

AMAN GUPTA Digitally signed by AMAN GUPTA Date: 2022.10.18 20:10:39 +05'30'

Aman Gupta
Director
DIN: 02249682

SAMEER ASHOK MEHTA Digitally signed by SAMEER ASHOK MEHTA Date: 2022.10.18 20:05:18 +05'30'

Sameer Mehta
Director
DIN: 02945481

VIVEK GAMBHIR Digitally signed by VIVEK GAMBHIR Date: 2022.10.18 20:00:51 +05'30'

Vivek Gambhir
Director & CEO
DIN: 06527810

ANKUR SHARMA Digitally signed by ANKUR SHARMA Date: 2022.10.18 20:15:47 +05'30'

Ankur Sharma
Chief Financial Officer

MUKESH RADHESHYAM RANGA Digitally signed by MUKESH RADHESHYAM RANGA Date: 2022.10.18 20:19:13 +05'30'

Mukesh Ranga
Company Secretary

Mumbai, 18 October 2022