

Agarwal Prakash & Co.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of YDI Consumer India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of YDI Consumer India Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2022, its loss and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SA's) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

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



If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with 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'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022.



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended 31 March 2022.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures 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) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared and paid dividend during the period.
- (h) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company did not pay any remuneration to its directors during the period.

For Agarwal Prakash & Co.
Chartered Accountants

Firm's Registration No.: 005975N




Vikas Aggarwal

Partner

Membership No. 097848

UDIN: 22097848ALAZGV3843

Place: Gurugram

Date: 27 May 2022

Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the period ended 31 March 2022, based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible assets:
 - a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and the Company does have any right of use assets and investment property.
B. The Company does not have any intangible assets.
 - b) The property, plant and equipment have been physically verified by the management during the period and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) The Company does not have any immovable property. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
 - d) The Company has not revalued its Property, Plant and Equipment during the period.
 - e) 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) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
(b) The company has not 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. Accordingly, clause 3(ii)(b) of the Order is not applicable.
- (iii) During the period, the company has not made any investments in or has not provided any guarantee or security or has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3 (iii) (a) to (f) of the Order is not applicable.
- (iv) The Company has not entered into any transactions covered under Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided. Accordingly, clause 3 (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) To the best of our knowledge and as explained to us, the Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act, in



respect of Company's products / services. Accordingly, clause 3(vi) of the Order is not applicable.

- (vii) (a) Undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the period-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess on account of any dispute, which have not been deposited.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not defaulted in the repayment of loans or borrowings and interest thereon payable to any banks and other lenders. The Company does not have any borrowings from financial institutions or government.
- (b) According to the information and explanations given to us 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. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements 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, the company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) During the period, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the period and up to the date of this report.
- (c) There are no whistle-blower complaints received by the Company during the period.



- (xii) The Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
- (b) The Company did not have an internal audit system for the period under audit. Accordingly, clause 3(xiv) of the Order is not applicable.
- (xv) In our opinion during the period the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (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 does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs. 23,538.38 thousand in the current financial year 2021-22.
- (xviii) There has been no resignation of the statutory auditors of the Company during the period. 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 financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and subject to the Note no. 45(d) of the financial statements, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



(xx) The Section 135 of the Companies Act, 2013 with regards to Corporate Social Responsibility are not applicable to the Company. Accordingly, clause 3(xx) of the Order is not applicable.

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration No.: 005975N

Vikas Aggarwal
Partner
Membership No. 097848
UDIN: 22097848ALAZGV3843

Place: Gurugram
Date: 27 May 2022



Annexure B to the Independent Auditor's Report

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the period ended 31 March 2022 of even date.

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to financial statements of YDI Consumer India Limited ('the Company') as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system 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 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.

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 financial statements for external purposes in accordance with generally accepted accounting principles. A



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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial 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.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements 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 issued by ICAI.

For Agarwal Prakash & Co.
Chartered Accountants
Firm's Registration No.: 005975N



Vikas Aggarwal
Partner
Membership No. 097848
UDIN: 22097848ALAZGV3843

Place: Gurugram
Date: 27 May 2022

Balance Sheet as at	Note	All amount in ₹ thousands, unless otherwise stated	31 March 2022
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	6		1,405.56
Current assets			
(a) Inventories	7		1,405.56
(b) Financial assets			9,817.29
Trade receivables	8		
Cash and cash equivalents	9		5,849.60
Other financial assets	10		1,816.89
(c) Other current assets	11		714.60
			8,386.74
			26,585.12
Total of Assets			27,990.68
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12		500.00
(b) Other equity			(23,602.82)
			(23,102.82)
Liabilities			
Non-current liabilities			
(a) Provisions	13 A		698.75
			698.75
Current liabilities			
(a) Financial liabilities			
Borrowings	14		
Trade payables	15		43,080.00
-total outstanding dues of micro enterprises and small enterprises			1,082.32
-total outstanding dues of creditors other than micro enterprises and small enterprises			641.71
Other financial liabilities	16		4,576.43
(b) Other current liabilities	17		1,004.90
(c) Provisions	13 B		9.39
			50,394.75
Total of Equity and Liabilities			27,990.68

Summary of significant accounting policies

The accompanying notes are integral part of the standalone financial statements

This is the balance sheet referred to in our report of even date

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number: 05975N

Vikas Agarwal
Partner



For and on behalf of Board of Directors

Kubeir Khara *Saurabh Garg*

Kubeir Khara
Director
[DIN: 03498226]

Saurabh Garg
Director
[DIN: 03444152]

Place : Gurugram
Date : 27 May 2022

Statement of Profit and Loss	Note	For the period 27 May 2021 to 31 March 2022
Revenue		
Revenue from operations	18	5,704.94
Other income	19	234.85
Total Revenue		<u>5,939.79</u>
Expenses		
Cost of revenue	20	2,097.20
Operating expenses	21	14,458.17
Employee benefits expense	22	577.65
Finance costs	23	1,083.73
Depreciation and amortisation expense	6	64.44
Other expenses	24	11,261.42
Total Expenses		<u>29,542.61</u>
Profit/(Loss) before tax		(23,602.82)
Tax expense		
Current tax	25	-
Deferred tax (credit)/ charge		-
Profit/(Loss) after tax		<u>-</u>
Other Comprehensive Income		-
Total comprehensive income for the period		<u>-</u>
Earnings per equity share		
Equity share of par value ₹10 each	26	
Basic (₹)		
Diluted (₹)		

Summary of significant accounting policies

The accompanying notes are integral part of the standalone financial statements

This is the statement of profit and loss referred to in our report of even date.

For Agarwal Prakash & Co.
Chartered Accountants

Firm's Registration Number: 005975N

Vikas Aggarwal
Partner

For and on behalf of Board of Directors

Kubeir Khera
Director
[DIN: 03498226]

Saurabh Garg
Director
[DIN: 03444152]

Place : Gurugram

Date : 27 May 2022

Statement of Cash Flows	For the period 27 May 2021 to 31 March 2022
A. Cash flow from operating activities:	
Loss before tax for the period	(23,602.82)
Adjustments for:	
Depreciation and amortisation expense	64.44
Interest expense	998.20
Operating loss before working capital changes and other adjustments	(22,540.18)
Working capital changes and other adjustments	
Inventories	(9,817.29)
Trade receivables	(5,849.60)
Other financial assets	(714.60)
Other current assets	(8,386.74)
Provisions	708.13
Trade payables	1,724.03
Other current liabilities	1,004.90
Other financial liabilities	3,678.05
Cash used in operating activities	(40,193.29)
Income tax paid, net	-
Net cash used in operating activities	(40,193.29)
B. Cash flow from investing activities:	
Purchase of property, plant and equipment	(1,470.00)
Net cash (used in)/generated from investing activities	(1,470.00)
C. Cash flow from financing activities:	
Proceeds from issuance of share capital	500.00
Proceeds from ICD taken	43,080.00
Interest paid	(99.82)
Net cash generated from/(used in) financing activities	43,480.18
D. Net Increase in cash and cash equivalents (A+B+C)	1,816.89
E. Cash and cash equivalents at the beginning of the period	-
F. Cash and cash equivalents at the end of the period (D+E)	1,816.89
G. Reconciliation of cash and cash equivalents as per cash flow statement	
Cash and cash equivalents includes	
Cash on hand	
Balances with scheduled banks	
In current accounts	1,816.89
	1,816.89

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

This is the statement of cash flows referred to in our report of even date.

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number: 005975N

Vikas Aggarwal
Partner



For and on behalf of Board of Directors

Kubeir Khera *Saurabh Garg*

Kubeir Khera
Director
[DIN: 03498226]

Saurabh Garg
Director
[DIN: 03444152]

Place : Gurugram
Date : 27 May 2022

Statement of changes in equity as at 31 March 2022

(A) Equity share capital*

All amount in ₹ thousands, unless otherwise stated

Particulars	Opening balance	issue of equity share capital during the period	Balance as at 31 March 2022
Equity share capital	-	500.00	500.00

(B) Other equity

Particulars	Reserves and surplus	Other Comprehensive Income	Total
	Retained earnings		
Opening balance	-	-	-
Loss for the period	(23,602.82)	-	(23,602.82)
Balance as at 31 March 2022	(23,602.82)	-	(23,602.82)

*Refer Note - 12

The accompanying notes are integral part of the financial statements

This is the statement of changes in equity referred to in our report of even date.

For Agarwal Prakash & Co.

Chartered Accountants

Firm's Registration Number: 005975N



Vikas Aggarwal
Partner


For and on behalf of the Board of Directors



Kubeir Khera
Director
[DIN: 03498226]



Saurabh Garg
Director
[DIN: 03444152]

Place : Gurugram

Date : 27 May 2022

YDI Consumer India Limited

Summary of significant accounting policies and other explanatory information for the period 27 May 2021 to 31 March 2022

1. Nature of principal activities

YDI Consumer India Limited, ("the Company") was incorporated on May 27, 2021 with the main objects of carrying the business of trading goods through digital platform. The company is domiciled in India and its registered office is "Plot No. 448-451, Udyog Vihar, Phase-V, Gurugram-122016, Haryana".

2. General information and statement of compliance with Ind AS

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ("MCA")), as amended and other related provisions of the Act.

The Company has uniformly applied the accounting policies during the periods presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 27 May 2022. The revisions to the financial statements are permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

Recent accounting pronouncement

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16, Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

3. Basis of preparation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Certain financial assets and financial liabilities are measured at fair value and are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable. Further, share based payments are also measured at fair value of the stock options.

4. Estimation of uncertainties relating to the global health pandemic from covid-19 (covid-19):

The pandemic of Corona Virus (COVID-19) has caused unprecedented havoc to the economic activity all around the Globe. The complete lock down announced on 24 March 2020 by the Government of India brought the wheels of economic activity to a grinding halt. The operations are slowly and gradually resuming and expected to reach pre – COVID 19 level in due course of time. The Company is continuously and closely observing the unfolding situation and will continue to do so. The Company has considered the possible impact of COVID-19 in preparing the financial statements including the recoverable value of its assets and its liquidity position based on internal and external information up to the date of approval of these financial statements.

5. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.



5.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

5.2 Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below.

Sale of goods

Revenue from the sale of goods is recognised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and rewards of products sold are transferred to the customer, being at the point the goods are delivered to and accepted by the customer, according to the specific delivery terms that have been agreed with the customer.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

5.3 Property, plant and equipment (PPE)

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013.

Asset class	Useful life
Computers	3 – 6 years

The residual values, useful lives and method of depreciation of are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in statement of profit and loss when the asset is derecognized.



5.4 Inventories

Inventories are valued at cost or estimated net realizable value, whichever is lower. The cost of inventories is determined using the specific identification of their individual cost method and includes purchase price and all direct costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated necessary costs to make the sale.

5.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

5.6 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

5.7 Foreign currency

Functional and presentation currency

The financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

5.8 Financial instruments

Financial assets

Recognition and initial measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

- i. **Debt instruments at amortised cost** – A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and



- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- ii. **Mutual funds** – All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

Subsequent measurement – Amortized cost

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is 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 realise the assets and settle the liabilities simultaneously.

5.9 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company factors historical trends and forward looking information to assess expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

5.10 Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside statement of profit and loss is recognised in the statement in which the relevant item is recognised.



Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax losses are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

5.11 Cash and cash equivalents

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

5.12 Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

5.13 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

5.14 Employee benefits

Defined contribution plan

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

Defined benefit plan

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognized in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gain/losses resulting from re-measurements of the liability are included in other comprehensive income.



Other long term employee benefits

The Company also provides benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

5.15 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

Significant management judgements

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.



Summary of significant accounting policies and other explanatory information for the period 27 May 2021 to 31 March 2022

Note - 6 Particulars	<i>All amount in ₹ thousands, unless otherwise stated</i>	
	Computers	Total
Gross carrying amount		
Balance as at 27 May 2021	-	-
Additions	1,470.00	1,470.00
Disposals/assets written off	-	-
Balance as at 31 March 2022	1,470.00	1,470.00
Accumulated depreciation		
Balance as at 27 May 2021	-	-
Charge for the period	64.44	64.44
Adjustments for disposals	-	-
Balance as at 31 March 2022	64.44	64.44
Net carrying value as at 31 March 2022	1,405.56	1,405.56



	31 March 2022
Note - 7	
Inventories	9,817.29
Stock-in-trade	<u>9,817.29</u>

Note - 8	
Trade Receivables	
Unsecured, Undisputed, considered good- Current	5,849.60
Others	<u>5,849.60</u>

As at 31 March 2022	Less than 6 months	6 months to 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
Particulars						5,849.60
(i) Undisputed trade receivables - considered good	5,849.60					
(ii) Undisputed trade receivables - considered doubtful (Having significant increase in risk)						
(iii) Undisputed trade receivables - credit impaired						
(iv) Disputed trade receivables - considered good						
(v) Disputed trade receivables - considered doubtful (Having significant increase in risk)						
(vi) Disputed trade receivables - credit impaired						

Note - 9	
Cash and cash equivalents	
Cash on hand	
Balances with banks	1,316.89
In current accounts	<u>1,816.89</u>

Note - 10	
Other Financial assets	714.60
Security deposits	<u>714.60</u>

Note - 11	
Other Current assets	5,168.00
Advance to material / service providers	3,218.74
Balances with statutory authorities	<u>8,386.74</u>

	Number	Amount
Note - 12		
Equity share capital		
i Authorised	50,000	500.00
Equity share capital of face value of ₹10 each	<u>50,000</u>	<u>500.00</u>
ii Issued, subscribed and fully paid up	50,000	500.00
Equity share capital of face value of ₹10 each fully paid up	<u>50,000</u>	<u>500.00</u>
iii Reconciliation of number and amount of shares outstanding at the beginning and at the end of the period		
Equity shares		
Balance at the beginning of the period	50,000	500.00
Add: Issued during the period		
Less: Redeemed during the period	<u>50,000</u>	<u>500.00</u>
Balance at the end of the period		

iv Rights, preferences and restrictions attached to equity shares
The holders of equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meeting of the Company. In the event of liquidation of the Company, the remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the numbers of shares held to the total equity shares outstanding as on that date. All shares rank equally with regards to Company's residual assets.

v Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at 31 March 2022 is as follows:

Promoter Name	Share Held by Promoters	
	As at 31 March 2022	
	Number of shares	% Total of Shares
Yatri Digital Integrated Services Limited (formerly known as Yatri Digital Integrated Services Limited & Indiabulls Integrated Services Limited) and its nominees.	50,000	100
Total	50,000	100



31 March 2022

- vi The Company does not have any shares issued for consideration other than cash since incorporation. Company did not buy back any shares in any of the reporting periods.
- vii 50,000 equity shares of the Company is held by holding company namely Yaari Digital Integrated Services Limited (formerly known as Yaari Digital Integrated Services Limited & Indiabulls Integrated Services Limited) and its nominees.

vii Details of shareholder holding more than 5% share capital in the Company

Name of the equity shareholders	Number of shares
Yaari Digital Integrated Services Limited (formerly known as Yaari Digital Integrated Services Limited & Indiabulls Integrated Services Limited) and its nominees.	50,000

Note - 13

Provisions

A Non-current

Provision for employee benefits:

Gratuity

Compensated absences

375.47

325.28

698.75

B Current

Provision for employee benefits:

Gratuity

Compensated absences

0.78

8.61

9.39

Note - 14

Borrowings - current

Unsecured borrowings:

Loans and advances from related parties

43,080.00

43,080.00

Note - 15

Trade payables - current

Due to micro and small enterprises*

Due to others

1,082.32

641.71

1,724.03

Trade payables ageing as at 31 March 2022

Particulars	Outstanding for the year ended 31 March 2022					Total
	Unbilled dues	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i) MSME	-	1,082.32	-	-	-	1,082.32
(ii) Other than MSME	-	641.71	-	-	-	641.71
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-

* Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

Particulars	31 March 2022
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	1,082.32
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil
iii) 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 this Act	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	83.19
v) 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 section 23	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

Note - 16

Other financial liability- current

Interest accrued but not due on borrowings:

on Inter-Corporate deposits from related party

898.38

Expense payable to

MSME

Others

1,767.00

1,911.05

4,576.43

Note - 17

Other Current liability

Payable to statutory authorities

Other liabilities

1,002.43

2.47

1,004.90



All amount in ₹ thousands, unless otherwise stated

	For the period 27 May 2021 to 31 March 2022
Note - 18	
Revenue from operations	
Revenue on Product Sales	5,548.38
Sales of Trading Goods	156.56
	<u>5,704.94</u>
Note - 19	
Other Income	
Miscellaneous income	234.85
	<u>234.85</u>
Note - 20	
Cost of Revenue	
Cost of goods sold	2,097.20
	<u>2,097.20</u>
Note - 21	
Operating Expenses	
Sample Cost	3.70
Material Testing Charges	50.30
Commission on payment gateway	1.91
Commission expenses	75.21
Logistics and delivery charges	481.70
Salary Cost	9,474.50
Bonus and ex-gratia	500.00
Gratuity and leave encashment	679.74
Customer Acquisition Activities	1,861.56
Warehouse expenses	229.55
Technical Support Expense	1,100.00
	<u>14,458.17</u>
Note - 22	
Employee benefits expense	
Salaries and wages	504.80
Gratuity and leave encashment	28.39
Contribution to provident fund and other funds	44.46
	<u>577.65</u>
Note - 23	
Finance cost	
Interest expenses on taxation	2.34
Interest on inter-corporate deposits	998.20
Interest on MSME	83.19
	<u>1,083.73</u>
Note - 24	
Other expenses	
Bank charges	0.10
Auditor's remuneration - refer note (i) below	11.80
Communication expenses	28.88
Legal and professional charges	119.00
Rates and taxes	857.13
Rent expenses	1,196.26
Digital Marketing Expenses	8,872.00
Subscription fees	45.00
Transport charges	131.25
Miscellaneous expenses	0.00
	<u>11,261.42</u>
(i) Details of Auditor's Remuneration	
Audit Fee	11.80
	<u>11.80</u>



All amount in ₹ thousands, unless otherwise stated

Note - 25

Income tax

Tax expense comprises of:

Current tax

Deferred tax (credit)/charge

Tax expense reported in the statement of profit and loss

	-
	-
	-

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Accounting loss before tax from continuing operations

(23,602.82)

Accounting loss before income tax

(23,602.82)

Since the Company has incurred loss during the period from 27 May 2021 to 31 March 2022, hence there is no tax liability as per the provisions of the Income Tax Act, 1961. The calculation of effective tax rate is not relevant and hence not given.

Deferred tax is recognised to the extent it is probable that future taxable profits will be available against which deductible temporary differences and tax loss carried forward can be utilised. The current year business losses amounts to ₹ 23,801.65 thousands on which no deferred tax is recognised.

Note - 26

Earnings per share (EPS)

The Company's Earnings per Share ("EPS") is determined based on the net profit attributable to the shareholders of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

The following reflects the income and share data used in the basic and diluted EPS computation:

For the period
27 May 2021 to 31 March 2022

Profit/(Loss) attributable to equity holders for basic earnings

-

Profit/(Loss) attributable to equity holders adjusted for the effect of dilution

-

Weighted average number of equity shares for basic/diluted earning per share*

50,000

* No transaction is there which have impacted the calculation of weighted average number of shares. No other transaction involving Equity shares or potential Equity shares is there between the reporting date and the date of authorization of these financial statements.

Earnings per equity share

(1) Basic (₹)

(2) Diluted (₹)



Note - 27

Fair value measurement

i) Financial instruments by category

For amortized cost instruments, carrying value represents the best estimate of fair value.

	31 March 2022		
	FVTPL (See note 1 below)	FVOCI (See note 2 below)	Amortized cost
Financial assets			
Trade receivables	-	-	5,849.60
Cash and cash equivalents	-	-	1,816.89
Other financial assets	-	-	714.60
Total financial assets	-	-	8,381.09

Notes

1. These financial assets are mandatorily measured at fair value through profit and loss

2. These financial assets represent investments in equity instruments designated as such upon initial recognition

Investments in equity instrument of subsidiaries are stated at cost as per IND AS 27 "Separate Financial statements"

	31 March 2022		
	FVTPL	FVOCI	Amortized cost
Financial liabilities			
Borrowings	-	-	43,080.00
Trade payables	-	-	1,724.03
Other financial liabilities	-	-	4,576.43
Total financial liabilities	-	-	49,380.46

Fair value measurements

(i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the financial statements are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

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

Level 3: unobservable inputs for the asset or liability.

Company does not have any financial assets and financial liabilities that are required to be measured at fair value so no analysis has been shown at the fair value measurements.

(ii) Financial instruments measured at amortised costs

Financial instruments measured at amortised costs for which the carrying value is the fair value.



Note - 28

Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortized cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

The finance function of the Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Entity classifies its financial assets into the following categories based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Assets under credit risk –

Credit rating	Particulars	31 March 2022
A	Cash and cash equivalents and loans	1,816.89
A	Trade receivables	5,849.60
A	Other financial assets	714.60

The risk parameters are same for all financial assets for all period presented. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Credit risk exposure

Provision for expected credit losses

The Company provides for expected credit loss based on lifetime expected credit loss mechanism for loans, deposits and other investments.

Company does not have such financial asset which requires provision for expected credit loss.

Expected credit loss for trade receivables under simplified approach

The Company's outstanding trade receivables are less than six months old and the Company expects that money will be received in due course.

(B) Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Company also have an option to arrange funds by taking loans and borrowing from Holding Company/Ultimate Holding Company/Fellow Subsidiary company. Accordingly no liquidity risk is being perceived.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Non-derivatives					
Other financial liabilities	4,576.43	-	-	-	4,576.43
Trade payables	1,724.03	-	-	-	1,724.03
Borrowings	43,080.00	-	-	-	43,080.00
Total	49,380.46	-	-	-	49,380.46

(C) Market risk

Foreign exchange risk

Company does not have any foreign currency risks and therefore sensitivity analysis has not been shown.

Interest rate risk

Company does not have any interest rate risks and therefore sensitivity analysis has not been shown.

Price risk

Company does not have any price risk.



Note - 29**Details with respect to the Benami properties**

No proceedings have been initiated or pending against the entity under the Benami Transactions (Prohibitions) Act, 1988 for the period 27 May 2021 to 31 March 2022.

Note - 30**Undisclosed income**

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the period from 27 May 2021 to 31 March 2022 in the tax assessments under Income Tax Act, 1961.

Note - 31**Details of Crypto Currency or Virtual Currency**

Profit or loss on transactions involving Crypto currency or Virtual Currency	No transaction during the period from 27 May 2021 to 31 March 2022
Amount of currency held as at the reporting date	No transaction during the period from 27 May 2021 to 31 March 2022
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency	No transaction during the period from 27 May 2021 to 31 March 2022

Note - 32**Ratio Analysis**

Since the company is incorporated during the FY 2021-22, hence ratio analysis is not given.

Note - 33**Wilful Defaulter:**

No bank or financial institution has declared the company as "Wilful defaulter" during the period from 27 May 2021 to 31 March 2022.

Note - 34**Details in respect of Utilization of Borrowed funds and share premium:**

Particulars	Description
Transactions where an entity has provided any advance, loan, or invested funds to any other person (s) or entity/ entities, including foreign entities.	No such transaction has taken place during the period from 27 May 2021 to 31 March 2022
Transactions where an entity has received any fund from any person (s) or entity/ entities, including foreign entity.	No such transaction has taken place during the period from 27 May 2021 to 31 March 2022

Note - 35**Relationship with Struck off Companies:**

No transaction has been made with the company struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the period 27 May 2021 to 31 March 2022.

Note - 36**Registration of charges or satisfaction with Registrar of Companies:**

All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending for the year ended 31 March 2022.

Note - 37**Compliance with number of layers of companies:**

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 and no layers of companies has been established beyond the limit prescribed as per above said section / rules, during the period from 27 May 2021 to 31-March 2022.

Note - 38**Loan or advances granted to the promoters, directors and KMPs and the related parties:**

No loan or advances in the nature of loans are granted to the promoters, directors, key managerial persons and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, during the period from 27 May 2021 to 31 March 2022 that are:

- (a) repayable on demand or
(b) without specifying any terms or period of repayment



Note – 39

Capital management

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company manages its capital requirements by reviewing its net debt position, where net debt is equal to non-current borrowing (including current maturities of non-current borrowings) and short-term borrowing net of cash and cash equivalent (including FDR and other liquid securities).

Note – 40

Related party transactions

a) Name and nature of relationship with related parties:

Relationship	Name of related parties
Related party exercising control Holding Company	Yaari Digital Integrated Services Limited (formerly known as Yaari Digital Integrated Services Limited & Indiabulls Integrated Services Limited)

b) Summary of transactions with related parties

(₹ in thousands)

Particulars	For the period 27 May 2021 to 31 March 2022
Loans and advances taken, net	
<i>Holding Company</i>	
Yaari Digital Integrated Services Limited	43,080.00
Interest Expenses on Loans and advances taken	
<i>Holding Company</i>	
Yaari Digital Integrated Services Limited	998.20

c) Statement of balance outstanding

(₹ in thousands)

Particulars	As at 31 March 2022
Loans and advances taken	
<i>Holding Company</i>	
Yaari Digital Integrated Services Limited	43,080.00
Interest payable on Loans and advances given	
<i>Holding Company</i>	
Yaari Digital Integrated Services Limited	898.38

Note – 41

Contingent liabilities and commitments

There are no contingent liabilities & commitments to be reported as on 31 March 2022.

Note – 42

Employee benefits

Defined contribution plan

The Company has made ₹ 44.46 thousands contribution in respect of provident fund and other funds.

Defined benefit plan

The Company has following defined benefit plans:

- Gratuity (unfunded)



- Compensated absences (unfunded)

Risks associated with plan provisions

Discount rate risk	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality risk	Actual death & liability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Salary risk	Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Withdrawal risk	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Compensated absence

The leave obligations cover the Company's liability for permitted leaves. The amount of provision of ₹ 8.61 thousands is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. The weighted average duration of the defined benefit obligation is 21.60 years.

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity plan is a non-funded plan. The weighted average duration of the defined benefit obligation is 21.60 years.

Actuarial (gain)/loss on obligation:*(₹ in thousands)*

Particulars	Gratuity		Compensated absence	
	For the year ended		For the year ended	
	31 March 2022		31 March 2022	
Actuarial (gain)/loss on arising from change in demographic assumption	-	-	-	-
Actuarial (gain)/loss on arising from change in financial assumption	-	-	-	-
Actuarial (gain)/loss on arising from change in experience adjustment	-	-	-	-

Amount recognized in the statement of profit and loss is as under:*(₹ in thousands)*

Particulars	Gratuity		Compensated absence	
	For the year ended		For the year ended	
	31 March 2022		31 March 2022	
Service cost	376.25		331.89	
Net interest cost	-		-	
Actuarial (gain)/loss for the year	-		-	
Expenses recognized/ (reversed) in the statement of profit and loss	376.25		331.89	

Movement in the liability recognized in the balance sheet is as under:*(₹ in thousands)*

Particulars	Gratuity		Compensated absence	
	As at		As at	
	31 March 2022		31 March 2022	
Present value of defined benefit obligation at the beginning of the year	-		-	
Service Cost	362.92		321.97	
Past Service Cost including curtailment Gains/Losses	13.33		9.92	
Interest Cost	-		-	
Actuarial (gain)/ loss on obligation	-		-	
Benefits paid	-		-	
Present value of defined benefit obligation at the end of the year	376.25		331.89	



Bifurcation of projected benefit obligation at the end of the year in current and non-current (₹ in thousands)

	Particulars	Gratuity	Compensated absence
		As at	As at
		31 March 2022	31 March 2022
a)	Current liability (amount due within one year)	0.78	8.61
b)	Non - current liability (amount due over one year)	375.47	323.28
	Total projected benefit obligation at the end of the year	376.25	331.89

For determination of the liability of the Company, the following actuarial assumptions were used:

Particulars	Gratuity	Compensated absence
	As at	As at
	31 March 2022	31 March 2022
Discount rate	7.18%	7.18%
Future salary increase	5.00%	5.00%
Mortality table	IALM (2012 - 14)	IALM (2012 - 14)

As the Company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Maturity plan of defined benefit obligation (₹ in thousands)

	Year	31 March 2022	
		Gratuity	Compensated absence
a)	April 2022 – March 2023	0.78	8.61
b)	April 2023 – March 2024	0.20	7.26
c)	April 2024 – March 2025	0.10	6.83
d)	April 2025 – March 2026	3.17	6.43
e)	April 2026 – March 2027	7.18	6.13
f)	April 2027 – March 2028	6.82	5.81
g)	April 2028 onwards	358.00	290.82

Sensitivity analysis of the defined benefit obligation (₹ in thousand)

Particulars	31 March 2022		
	Gratuity	Compensated absence	
Impact of the change in discount rate			
	Present value of obligation at the end of the year	376.25	331.89
a)	Impact due to increase of 0.50 %	(34.73)	(28.32)
b)	Impact due to decrease of 0.50 %	39.24	30.48
Impact of the change in salary increase			
	Present value of obligation at the end of the year	376.25	331.89
a)	Impact due to increase of 0.50 %	39.90	31.57
b)	Impact due to decrease of 0.50 %	(35.56)	(28.23)

Sensitivities due to mortality and withdrawal are not material and hence impact of change not calculated.

Note – 43

Segmental Information

The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. general insurance business which is as per Ind AS 108 on 'Segment Reporting' is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.



Note – 44

Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 – Cash flows

(₹ in thousand)

Particulars	Current borrowings	Total
Net debt as at 27 May 2021	-	-
Proceeds from current borrowings	43,080.00	43,080.00
Repayment of current borrowings	-	-
Net debt as at 31 March 2022	43,080.00	43,080.00

Note - 45

Other matters

- The Company has not entered into any derivative instrument during the year. The Company does not have any foreign currency exposures towards receivables, payables or any other derivative instrument that have not been hedged.
- In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2022.
- In the opinion of the Board of Directors, all current assets and long term loans & advances, appearing in the balance sheet as at 31 March 2022, have a value on realization, in the ordinary course of the Company's business, at least equal to the amount at which they are stated in the financial statements. In the opinion of the board of directors, no provision is required to be made against the recoverability of these balances.
- The Company is a wholly owned subsidiary company of Yaari Digital Integrated Services Limited, whether directly or indirectly which is having a net worth of ₹ 1,33,34,712.00 thousands. The Company will get all necessary support financially and otherwise from its holding company and thus, the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

For Agarwal Prakash & Co.


Chartered Accountants

Firm's Registration No.: 005975N


 Vikas Aggarwal
 Partner


For and on behalf of the Board of Directors


 Kubeir Khara
 Director
 [DIN: 03498226]


 Saurabh Garg
 Director
 [DIN: 03444152]

Place: Gurugram

Date: 27 May 2022