

# 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 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year 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 2023, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 2023.

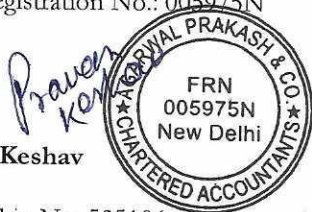


- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually 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 year.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- (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 year.

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

**Praveen Keshav**  
Partner  
Membership No. 535106  
UDIN: 23535106BGYUWV6846



Place: Gurugram  
Date: 25 May 2023

## 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 year ended 31 March 2023, 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) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company has no intangible assets during the year.
- b) According to the information, explanation and representation provided to us and based on verification carried out by us, during the year, the Company's management carries out the physical verification of Property, Plant and Equipment once in a year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. As explained to us, no material discrepancies were noticed by the management on such physical verification.
- c) According to the information, explanation and representation provided to us and based on verification carried out by us, during the year, the Company does not have any immovable property (other than immovable properties where the company is the lessee and the lease agreements are duly executed in the favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- d) According to the information, explanation and representation provided to us and based on verification carried out by us, during the year, the Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
- e) According to the information, explanation and representation provided to us and based on verification carried out by us, during the year, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, during the year, the management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.
- (b) According to the information, explanation and representation provided to us and based on verification carried out by us, during the year, 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) According to the information, explanation and representation provided to us and based on verification carried out by us, during the year, 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) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- (v) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not accepted deposits or deemed deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under, are applicable. Accordingly, reporting under para 3(v) 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 year-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) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961), that has not been recorded in the books of account.
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any 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) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments), however call money has been received against partly paid shares. Accordingly, reporting on para 3(x)(a) is not applicable.
- (b) According to the information, explanation and representation provided to us and based on verification carried out by us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on para 3(x)(b) is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the year, 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 year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under Clause 3(xii) of the Order is not applicable to the Company
- (xiii) According to the information, explanation and representation provided to us and based on verification carried out by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable, and the details have been disclosed in the financial statements as required by the applicable IND AS.
- (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.



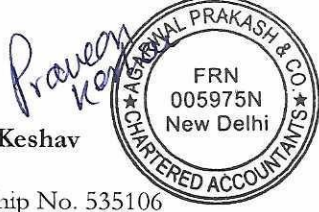
- (xv) According to the information, explanation and representation provided to us and based on verification carried out by us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of section 192 of the Act under clause 3(xv) of the order 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, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (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. 6,581.15 thousand in the current financial year 2022-23 and cash losses of Rs. 23,538.38 thousand during immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company 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 financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts 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

**Praveen Keshav**  
Partner  
Membership No. 535106  
UDIN: 23535106BGYUWV6846



Place: Gurugram  
Date: 25 May 2023

## **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 year ended 31 March 2023 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 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's 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.

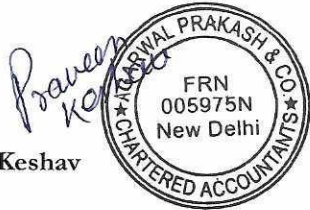
## Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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 2023, 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



**Praveen Keshav**  
Partner  
Membership No. 535106  
UDIN: 23535106BGYUWV6846

Place: Gurugram  
Date: 25 May 2023

Balance Sheet as at	Note	31 March 2023	31 March 2022
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	6	732.45	1,405.56
		<u>732.45</u>	<u>1,405.56</u>
<b>Current assets</b>			
(a) Inventories	7	-	9,817.29
(b) Financial assets			
Trade receivables	8	4,631.82	5,849.60
Cash and cash equivalents	9	82.41	1,816.89
Other financial assets	10	503.23	714.60
(c) Other current assets	11	3,162.98	8,386.74
		<u>8,380.44</u>	<u>26,585.12</u>
<b>Total of Assets</b>		<u><u>9,112.89</u></u>	<u><u>27,990.68</u></u>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	12	500.00	500.00
(b) Other equity		(43,992.84)	(23,602.82)
		<u>(43,492.84)</u>	<u>(23,102.82)</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Provisions	13 A	-	698.75
		<u>-</u>	<u>698.75</u>
<b>Current liabilities</b>			
(a) Financial liabilities			
Borrowings	14	44,515.00	43,080.00
Trade payables	15		
-total outstanding dues of micro enterprises and small enterprises			1,082.32
-total outstanding dues of creditors other than micro enterprises and small enterprises		643.88	641.71
Other financial liabilities	16	7,426.88	4,576.43
(b) Other current liabilities	17	19.97	1,004.90
(c) Provisions	13 B	-	9.39
		<u>52,605.73</u>	<u>50,394.75</u>
<b>Total of Equity and Liabilities</b>		<u><u>9,112.89</u></u>	<u><u>27,990.68</u></u>

**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: 005975N

Praveen Keshav

Partner

Membership No. 535106

**For and on behalf of Board of Directors**

Kubeir Khara  
Director  
[DIN: 03498226]

Akhil Malhotra  
Director  
[DIN: 09784585]

Place : Gurugram

Date : 25 May 2023

All amount in ₹ thousands, unless otherwise stated

Statement of Profit and Loss	Note	For the year ended 31 March 2023	For the period 27 May 2021 to 31 March 2022
<b>Revenue</b>			
Revenue from operations	18	-	5,704.94
Other income	19	1,565.53	234.85
<b>Total Revenue</b>		<b>1,565.53</b>	<b>5,939.79</b>
<b>Expenses</b>			
Cost of revenue	20	178.79	2,097.20
Operating expenses	21	172.39	14,458.17
Employee benefits expense	22	2,492.20	577.65
Finance costs	23	3,586.31	1,083.73
Depreciation and amortisation expense	6	433.08	64.44
Other expenses	24	15,092.78	11,261.42
<b>Total Expenses</b>		<b>21,955.55</b>	<b>29,542.61</b>
<b>Profit/(Loss) before tax</b>		<b>(20,390.02)</b>	<b>(23,602.82)</b>
<b>Tax expense</b>			
Current tax	25	-	-
Deferred tax (credit)/ charge		-	-
<b>Profit/(Loss) after tax</b>		<b>(20,390.02)</b>	<b>(23,602.82)</b>
<b>Other Comprehensive Income</b>			
<b>Total comprehensive income for the period</b>		<b>(20,390.02)</b>	<b>(23,602.82)</b>
<b>Earnings per equity share</b>			
<b>Equity share of par value ₹10 each</b>	26		
Basic (₹)		(407.80)	(472.06)
Diluted (₹)		(407.80)	(472.06)

**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 &amp; Co.

Chartered Accountants

Firm's Registration Number: 005975N

Praveen Keshav  
Partner  
Membership No. 535106

For and on behalf of Board of Directors

Kubeir Khara  
Director  
[DIN: 03498226]

Akhil Malhotra  
Director  
[DIN: 09784585]Place : Gurugram  
Date : 25 May 2023

Statement of Cash Flows	For the year ended 31 March 2023	For the period 27 May 2021 to 31 March 2022
<b>A. Cash flow from operating activities:</b>		
Loss before tax for the year/ period	(20,390.02)	(23,602.82)
<b>Adjustments for :</b>		
Depreciation and amortisation expense	433.08	64.44
Balances written-back	(1,467.33)	-
Balances written-off	5,168.00	-
Loss on sale /written-off of property,plant and equipment	36.62	-
Provision of impairment of Inventory	9,638.50	-
Interest expense	3,567.24	998.20
<b>Operating loss before working capital changes and other adjustments</b>	<b>(3,013.91)</b>	<b>(22,540.18)</b>
<b>Working capital changes and other adjustments</b>		
Inventories	178.79	(9,817.29)
Trade receivables	1,217.78	(5,849.60)
Other financial assets	211.37	(714.60)
Other current assets	55.76	(8,386.74)
Provisions	(619.04)	708.13
Trade payables	264.06	1,724.03
Other current liabilities	(984.93)	1,004.90
Other financial liabilities	(682.78)	3,678.05
<b>Cash used in operating activities</b>	<b>(3,372.90)</b>	<b>(40,193.30)</b>
Income tax paid, net	-	-
<b>Net cash used in operating activities</b>	<b>(3,372.90)</b>	<b>(40,193.30)</b>
<b>B. Cash flow from investing activities:</b>		
Sales/ (Purchase) of property, plant and equipment	203.42	(1,470.00)
<b>Net cash generated from/ (used in) investing activities</b>	<b>203.42</b>	<b>(1,470.00)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issuance of share capital	-	500.00
Proceeds from inter-corporate borrowings taken, net	1,435.00	43,080.00
Interest paid	-	(99.82)
<b>Net cash generated from financing activities</b>	<b>1,435.00</b>	<b>43,480.18</b>
<b>D. Net (Decrease)/ Increase in cash and cash equivalents (A+B+C)</b>	<b>(1,734.48)</b>	<b>1,816.89</b>
<b>E. Cash and cash equivalents at the beginning of the year/ period</b>	<b>1,816.89</b>	<b>-</b>
<b>F. Cash and cash equivalents at the end of the year/ period (D+E)</b>	<b>82.41</b>	<b>1,816.89</b>
<b>G. Reconciliation of cash and cash equivalents as per cash flow statement</b>		
<b>Cash and cash equivalents includes</b>		
Cash on hand	-	-
Balances with scheduled banks		
In current accounts	82.41	1,816.89
	<b>82.41</b>	<b>1,816.89</b>

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

Praveen Keshav  
Partner  
Membership No. 535106



Place : Gurugram  
Date : 25 May 2023

For and on behalf of Board of Directors

Kubeir Khera  
Director  
[DIN: 03498226]

Akhil Malhotra  
Director  
[DIN: 09784585]

YDI Consumer India Limited  
Statement of changes in equity as at 31 March 2023

(A) Equity share capital\*

All amount in ₹ thousands, unless otherwise stated

Particulars	Opening balance as at 01 April 2022	Issue of equity share capital during the year	Balance as at 31 March 2023
Equity share capital	500.00	-	500.00

Particulars	Opening balance as at 27 May 2021	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 as at 27 May 2021	-	-	-
Loss for the period	(23,602.82)	-	(23,602.82)
Balance as at 31 March 2023	(23,602.82)	-	(23,602.82)
Loss for the year	(20,390.02)	-	(20,390.02)
Balance as at 31 March 2023	(43,992.84)	-	(43,992.84)

\*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

For and on behalf of the Board of Directors

Praveen Keshav  
Partner  
Membership No. 535106



  
Kubeir Khara  
Director  
[DIN: 03498226]

  
Akhil Malhotra  
Director  
[DIN: 09784585]

Place : Gurugram  
Date : 25 May 2023

**1. Nature of principal activities**

YDI Consumer India Limited, ("the Company") was incorporated on 27 May 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 "5<sup>th</sup> Floor Plot No. 108, Udyog Vihar, Phase-1, 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 2023 were authorized and approved for issue by the Board of Directors on 25 May 2023. 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.

**3. 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 March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12 - Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

**4. 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.

**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.



## YDI Consumer India Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

#### 5.2 Revenue recognition

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below:

##### *Revenue from contracts with customers*

The Company is primarily engaged in providing web services. Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services and excluding taxes or duties collected on behalf of the government.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 5.17.

The specific recognition criteria described below must also be met before revenue is recognised

##### *Rendering of services*

Revenue from web services is recognised based on output method i.e. pro-rata over the period of the contract as and when the company satisfies performance obligations by transferring the promised services to its customers. Revenues from lead based services is recognised based on output method i.e. as and when leads are consumed by the customer or on the expiry of contract whichever is earlier. Activation revenue is amortised over the estimated customer relationship period.

Advertising revenue is derived from displaying web based banner ads and sale of online advertisements. Revenue from banner advertisement is recognised pro rata over the period of display of advertisement as per contract. Revenue from sale of online advertisements is recognised based on output method and the Company applies the practical expedient to recognise advertising revenue in the amount to which the Company has a right to invoice.

##### *Contract balances*

#### **Trade receivables**

A receivable represents the Company's right to 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 in section m) Financial instruments.

#### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised. The company recognises contract liability for consideration received in respect of unsatisfied performance obligations and reports these amounts as deferred revenue and advances from customers in the balance sheet. The unaccrued amounts are not recognised as revenue till all related performance obligations are fulfilled. The company generally receives transaction price in advance for contracts with customers that run up for more than one year. The transaction price received in advance does not have any significant financing component as the difference between the promised consideration and the cash selling price of the service arises for reasons other than the provision of finance.

##### *Interest income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method. Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

##### *Dividend income*

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

##### *Income from sale of Investment*



Profit on sale of investment is recognised on the date of its sale and is computed as excess of sale proceeds over its carrying amount as at the date of sale.

### 5.3 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.

### 5.4 Property, plant and equipment (PPE)

#### *Recognition and initial measurement*

Property, 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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised 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
Office equipment	5 years
Computers	3 – 6 years
Vehicles	8 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 recognised is de-recognised 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 recognised in statement of profit and loss when the asset is derecognised.

### 5.5 Intangible assets

#### *Recognition and initial measurement*

Intangible assets (softwares) 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 measurement (amortisation)*

The cost of capitalized software is amortized over a period four years from the date of its acquisition.

### 5.6 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.



## YDI Consumer India Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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.

#### 5.7 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.

#### 5.8 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. **Equity instruments** - All equity investments in scope of ‘Ind AS 109 Financial Instruments’ (‘Ind AS 109’) are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

iii. **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

###### *Recognition and initial measurement – amortised cost*

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

###### *Subsequent measurement – Amortised cost*

Subsequent to initial measurement, all financial liabilities are measured at amortised cost using the effective interest method.

###### *Recognition and initial and subsequent measurement – fair value*



A financial liability is classified as fair value through profit and loss (FVTPL) if it is designated as such upon initial recognition. Financial liabilities at FVTPL are measured (initial and subsequent) at fair value and net gains/losses, including any interest expense are recognised in statement of profit and loss.

*De-recognition of financial liabilities*

A financial liability is de-recognised 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 recognised in the statement of profit and loss.

**Compound financial instrument**

Optionally convertible debentures are separated into liability and equity components based on the terms of the contract. On issuance of the said instrument, the liability component is arrived by discounting the gross sum at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured. Such instruments are classified as current financial liability if the conversion option vests with the holder.

**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 Inventories**

Land other than that transferred to real estate projects under development is valued at lower of cost or net realizable value. Real estate properties (developed and under development) includes cost of land under development, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

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

**5.11 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).

#### 5.12 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.

#### 5.13 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.

#### 5.14 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.

#### 5.15 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 is 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.

**5.16 Share based payments**

Share based compensation benefits are provided to employees via Employee Stock Option Plans (ESOPs). The employee benefit expense is measured using the fair value of the employee stock options and is recognized over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees will be allotted equity shares of the Company.

**5.17 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.

**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.

**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*

**Revenue and inventories** – Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. This requires forecasts to be made of total budgeted cost with the outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims (compensation, rebates etc.) and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

**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.



YDI Consumer India Limited

Summary of significant accounting policies and other explanatory information for the year ended 31  
March 2023

**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.



Note - 6 Particulars	All amount in ₹ thousands, unless otherwise stated	
	Computers	Total
<b>Gross carrying amount</b>		
Balance as at 27 May 2021	-	-
Additions	1,470.00	1,470.00
Disposals/assets written off	-	-
<b>Balance as at 31 March 2022</b>	<b>1,470.00</b>	<b>1,470.00</b>
Additions	-	-
Disposals/assets written off	294.00	294.00
<b>Balance as at 31 March 2023</b>	<b>1,176.00</b>	<b>1,176.00</b>
<b>Accumulated depreciation</b>		
Balance as at 27 May 2021	-	-
Charge for the period	64.44	64.44
Adjustments for disposals	-	-
<b>Balance as at 31 March 2022</b>	<b>64.44</b>	<b>64.44</b>
Charge for the period	433.08	433.08
Adjustments for disposals	53.97	53.97
<b>Balance as at 31 March 2023</b>	<b>443.55</b>	<b>443.55</b>
<b>Net carrying value as at 31 March 2023</b>	<b>732.45</b>	<b>732.45</b>
<b>Net carrying value as at 31 March 2022</b>	<b>1,405.56</b>	<b>1,405.56</b>



All amount in ₹ thousands, unless otherwise stated

Note - 7	31 March 2023	31 March 2022
Inventories		
Stock-in-trade	-	9,817.29
	-	9,817.29

Note - 8	31 March 2023	31 March 2022
Trade Receivables		
Unsecured, Undisputed, considered good- Current		
Others	4,631.82	5,849.60
	4,631.82	5,849.60

As at 31 March 2023

Particulars	Less than 6 months	6 months to 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
(i) Undisputed trade receivables - considered good	-	-	4,631.82	-	-	4,631.82
(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	-	-	-	-	-	-

As at 31 March 2022

Particulars	Less than 6 months	6 months to 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
(i) Undisputed trade receivables - considered good	5,849.60	-	-	-	-	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

In current accounts

82.41

1,816.89

82.41

1,816.89

Note - 10

Other Financial assets

Security deposits

503.23

714.60

503.23

714.60

Note - 11

Other Current assets

Advance to material / service providers

Balances with statutory authorities

5,168.00

3,162.98

3,218.74

3,162.98

8,386.74

Note - 12

Equity share capital

i Authorised

Equity share capital of face value of ₹10 each

Number 31 March 2023

50,000 500.00

50,000 500.00

Number 31 March 2022

50,000 500.00

50,000 500.00

ii Issued, subscribed and fully paid up

Equity share capital of face value of ₹10 each fully paid up

50,000 500.00

50,000 500.00

50,000 500.00

50,000 500.00



All amount in ₹ thousands, unless otherwise stated

	31 March 2023		31 March 2022	
	Number	31 March 2023	Number	31 March 2022
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 year/ period	50,000	500.00	-	-
Add: Issued during the year/ period	-	-	50,000	500.00
Less: Redeemed during the year/ period	-	-	-	-
Balance at the end of the year/ period	50,000	500.00	50,000	500.00

## 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 2023 and 31 March 2022 is as follows :

Promoter Name	Share Held by Promoters		Share Held by Promoters		% Change during the year
	As at 31 March 2023		As at 31 March 2022		
	Number of shares	% Total of Shares	Number of shares	% Total of Shares	
Yaari Digital Integrated Services Limited (formerly known as Yaari Digital Integrated Services Limited & Indiabulls Integrated Services Limited) and its nominees.	50,000	100	50,000	100	-
Total	50,000	100	50,000	100	-

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	31 March 2023	31 March 2022
Yaari Digital Integrated Services Limited (formerly known as Yaari Digital Integrated Services Limited & Indiabulls Integrated Services Limited) and its nominees.	50,000	50,000

## Note - 13

## Provisions

## A Non-current

Provision for employee benefits:

Gratuity

Compensated absences

		375.47
		323.28
		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

	44,515.00	43,080.00
	44,515.00	43,080.00

## Note - 15

## Trade payables - current

Due to micro and small enterprises\*

Due to others

		1,082.32
	643.88	641.71
	643.88	1,724.03

## Trade payables ageing as at 31 March 2023

Particulars	Outstanding for the year ended 31 March 2023					
	Unbilled dues	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Other than MSME	-	-	643.88	-	-	643.88
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-

## Trade payables ageing as at 31 March 2022

Particulars	Outstanding for the year ended 31 March 2022					
-------------	--	--	--	--	--	--



All amount in ₹ thousands, unless otherwise stated

	Unbilled dues	Less than 1 year	1 year to 2 years	2 years to 3 years	31 March 2023		31 March 2022
					More than 3 years	Total	
(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 2023	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	Nil	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	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	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	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	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

Expense payable to

MSME

Others

4,465.62

898.38

-

1,767.00

2,961.26

1,911.05

7,426.88

4,576.43

**Note - 17****Other Current liability**

Payable to statutory authorities

Other liabilities

-

1,002.43

19.97

2.47

19.97

1,004.90



All amount in ₹ thousands, unless otherwise stated

	31 March 2023	For the period 27 May 2021 to 31 March 2022
<b>Note - 18</b>		
<b>Revenue from operations</b>		
Revenue on Product Sales	-	5,548.38
Sales of Trading Goods	-	156.56
	<u>-</u>	<u>5,704.94</u>
<b>Note - 19</b>		
<b>Other Income</b>		
Balances written-back	1,467.33	-
Miscellaneous income	98.20	234.85
	<u>1,565.53</u>	<u>234.85</u>
<b>Note - 20</b>		
<b>Cost of Revenue</b>		
Cost of goods sold	178.79	2,097.20
	<u>178.79</u>	<u>2,097.20</u>
<b>Note - 21</b>		
<b>Operating Expenses</b>		
Sample Cost	-	3.70
Material Testing Charges	-	50.30
Commission on payment gateway	0.05	1.91
Commission expenses	127.34	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	45.00	229.55
Technical Support Expense	-	1,100.00
	<u>172.39</u>	<u>14,458.17</u>
<b>Note - 22</b>		
<b>Employee benefits expense</b>		
Salaries and wages	2,479.46	504.80
Gratuity and leave encashment	-	28.39
Contribution to provident fund and other funds	12.74	44.46
	<u>2,492.20</u>	<u>577.65</u>
<b>Note - 23</b>		
<b>Finance cost</b>		
Interest expenses on taxation	19.07	2.34
Interest on inter-corporate deposits	3,567.24	998.20
Interest on MSME	-	83.19
	<u>3,586.31</u>	<u>1,083.73</u>
<b>Note - 24</b>		
<b>Other expenses</b>		
Bank charges	0.04	0.10
Auditor's remuneration - refer note (i) below	11.80	11.80
Communication expenses	32.94	28.88
Legal and professional charges	12.98	119.00
Rates and taxes	1.29	857.13
Rent expenses	-	1,196.26
Digital Marketing Expenses	-	8,872.00
Subscription fees	15.93	45.00
Transport charges	147.78	131.25
Balances written-off	5,168.00	-
Loss on sale /written-off of property, plant and equipment	36.62	-
Advertisement expenses	22.90	-
Traveling and conveyance expenses	4.00	-
Provision of impairment of Inventory	9,638.50	-
	<u>15,092.78</u>	<u>11,261.42</u>
<b>(i) Details of Auditor's Remuneration</b>		
Audit Fee	11.80	11.80
	<u>11.80</u>	<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

Accounting loss before income tax

(20,390.02)	(23,602.82)
(20,390.02)	(23,602.82)

Since the company has incurred losses during the financial year 2022-23 and financial year 2021-22 hence there is no tax liability as per provisions of Income tax act, 1961, the calculation of effective tax rate is not relevant and hence not given.

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax loss carry forward can be utilised. The unabsorbed business losses amount to ₹ 39,836.26 thousands on which no deferred tax assets is recognised.

The company has unabsorbed business losses amounting to ₹ 39,836.26 thousands (31 March 2022: ₹ 23,032.55 thousands) that are available for offsetting for a maximum period of eight years from the incurrence of loss. The company has not created deferred tax assets on these unabsorbed losses considering uncertainty involved around future business income.

## 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

Profit/(Loss) attributable to equity holders for basic earnings	(20,390.02)	(23,602.82)
Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	(20,390.02)	(23,602.82)

Weighted average number of equity shares for basic/diluted earning per share*	50,000	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 (₹)	(407.80)	(472.06)
(2) Diluted (₹)	(407.80)	(472.06)



## Note - 27

## Fair value measurement

## i) Financial instruments by category

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

Particulars	31 March 2023		
	FVTPL (See note 1 below)	FVOCI (See note 2 below)	Amortized cost
<i>Financial assets</i>			
Trade receivables	-	-	4,631.82
Cash and cash equivalents	-	-	82.41
Other financial assets	-	-	503.23
<b>Total financial assets</b>	-	-	<b>5,217.46</b>

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

## Notes

- These financial assets are mandatorily measured at fair value through profit and loss
  - 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"

Particulars	31 March 2023		
	FVTPL	FVOCI	Amortized cost
<i>Financial liabilities</i>			
Borrowings	-	-	44,515.00
Trade payables	-	-	643.88
Other financial liabilities	-	-	7,426.88
<b>Total financial liabilities</b>	-	-	<b>52,585.76</b>

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

## 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 2023	31 March 2022
A	Cash and cash equivalents and loans	82.41	1,816.89
A	Trade receivables	4,631.82	5,849.60
A	Other financial assets	503.23	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 between 1 year to 2 years 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. 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 2023	Less than 1 year	2-3 years	More than 3 years	Total



YDI Consumer India Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

*All amount in ₹ thousands, unless otherwise stated*

Non-derivatives					
Other financial liabilities	7,426.88	-	-	-	7,426.88
Trade payables	643.88	-	-	-	643.88
Borrowings	44,515.00	-	-	-	44,515.00
<b>Total</b>	<b>52,585.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,585.76</b>

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
<b>Total</b>	<b>49,380.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,380.46</b>

(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 entry under the Benami Transactions (Prohibitions) Act, 1988 for the year ended 31 March 2023 and for the period ended 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 for the year ended 31 March 2023 and for the period ended 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 year ended 31 March 2023 and period ended 31 March 2022.
Amount of currency held as at the reporting date	No transaction during the year ended 31 March 2023 and period ended 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 year ended 31 March 2023 and period ended 31 March 2022

**Note - 32****Ratio Analysis**

The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022.

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	Variance
Current Ratio#	Current Assets	Current Liabilities	0.16	0.53	-69.80%

# The variance is due to provisioning done for inventory.

Return on Equity (ROE), Debt equity ratio, Net Capital Turnover Ratio, Net profit ratio, Return of Capital Employed (ROCE), Trade Payables turnover ratio, Trade Receivables turnover ratio, Debt Service Coverage Ratio and inventory turnover ratio are not calculated since these are either negative or not applicable.

**Note - 33****Wilful Defaulter:**

No bank or financial institution has declared the company as "Wilful defaulter" during the year ended 31 March 2023 and period ended 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 transaction during the year ended 31 March 2023 and period ended 31 March 2022.
Transactions where an entity has received any fund from any person (s) or entity/ entities, including foreign entity.	No transaction during the year ended 31 March 2023 and period ended 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 year ended 31 March 2023 and period ended 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 2023 and the period 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 year ended 31 March 2023 and the period ended 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 year ended 31 March 2023 and the period ended 31 March 2022 that are:

- repayable on demand or
- without specifying any terms or period of repayment



**YDI Consumer India Limited**

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023

**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 Yaarii Digital Integrated Services Limited & Indiabulls Integrated Services Limited)

**b) Summary of transactions with related parties****(₹ in thousands)**

Particulars	For the year ended 31 March 2023	For the period 27 May 2021 to 31 March 2022
<b>Loans and advances taken, net</b>		
<i>Holding Company</i>		
Yaari Digital Integrated Services Limited	1,435.00	43,080.00
<b>Interest Expenses on Loans and advances taken</b>		
<i>Holding Company</i>		
Yaari Digital Integrated Services Limited	3,567.24	998.20

**c) Statement of balance outstanding****(₹ in thousands)**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Loans and advances taken</b>		
<i>Holding Company</i>		
Yaari Digital Integrated Services Limited	44,515.00	43,080.00
<b>Interest payable on Loans and advances given</b>		
<i>Holding Company</i>		
Yaari Digital Integrated Services Limited	4,465.62	898.38

**Note – 41****Contingent liabilities and commitments**

There are no contingent liabilities & commitments to be reported as on 31 March 2023 and 31 March 2022.

**Note – 42****Employee benefits****Defined contribution plan**

The Company has made Nil (31 March 2022: ₹ 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)



**YDI Consumer India Limited**

**Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023**

**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 Nil (31 March 2022: ₹ 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 NA (31 March 2022: 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 NA (31 March 2022: 21.60 years).

**Actuarial (gain)/loss on obligation:**

(₹ in thousands)

Particulars	Gratuity		Compensated absence	
	For the year ended		For the year ended	
	31 March 2023	31 March 2022	31 March 2023	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 2023	31 March 2022	31 March 2023	31 March 2022
Service cost	NA	376.25	NA	331.89
Net interest cost	NA	-	NA	-
Actuarial (gain)/loss for the year	NA	-	NA	-
Expenses recognized/ (reversed) in the statement of profit and loss	NA	376.25	NA	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 2023	31 March 2022	31 March 2023	31 March 2022
Present value of defined benefit obligation at the beginning of the year	NA	-	NA	-
Service Cost	NA	362.92	NA	321.97
Past Service Cost including curtailment Gains/Losses	NA	13.33	NA	9.92
Interest Cost	NA	-	NA	-
Actuarial (gain)/ loss on obligation	NA	-	NA	-
Benefits paid	NA	-	NA	-
Present value of defined benefit obligation at the end of the year		376.25	NA	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 2023	31 March 2022	31 March 2023	31 March 2022
a)	Current liability (amount due within one year)	NA	0.78	NA	8.61
b)	Non - current liability (amount due over one year)	NA	375.47	NA	323.28
	<b>Total projected benefit obligation at the end of the year</b>	<b>NA</b>	<b>376.25</b>	<b>NA</b>	<b>331.89</b>

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

Particulars	Gratuity		Compensated absence	
	As at		As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Discount rate	NA	7.18%	NA	7.18%
Future salary increase	NA	5.00%	NA	5.00%
Mortality table	NA	IALM (2012 - 14)	NA	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 2023		31 March 2022	
		Gratuity	Compensated absence	Gratuity	Compensated absence
a)	April 2022 – March 2023	NA	NA	0.78	8.61
b)	April 2023 – March 2024	NA	NA	0.20	7.26
c)	April 2024 – March 2025	NA	NA	0.10	6.83
d)	April 2025 – March 2026	NA	NA	3.17	6.43
e)	April 2026 – March 2027	NA	NA	7.18	6.13
f)	April 2027 – March 2028	NA	NA	6.82	5.81
g)	April 2028 onwards	NA	NA	358.00	290.82

## Sensitivity analysis of the defined benefit obligation (₹ in thousands)

Particulars	31 March 2023		31 March 2022		
	Gratuity	Compensated absence	Gratuity	Compensated absence	
<b>Impact of the change in discount rate</b>					
	Present value of obligation at the end of the year	NA	NA	376.25	331.89
a)	Impact due to increase of 0.50 %	NA	NA	(34.73)	(28.32)
b)	Impact due to decrease of 0.50 %	NA	NA	39.24	30.48
<b>Impact of the change in salary increase</b>					
	Present value of obligation at the end of the year	NA	NA	376.25	331.89
a)	Impact due to increase of 0.50 %	NA	NA	39.90	31.57
b)	Impact due to decrease of 0.50 %	NA	NA	(35.56)	(28.23)

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



YDI Consumer India Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2023

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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.

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

(₹in thousands)

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
Proceeds from current borrowings	1,435.00	1,435.00
Repayment of current borrowings	-	-
Net debt as at 31 March 2023	44,515.00	44,515.00

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Other matters

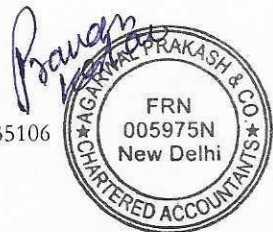
- The Company has not entered into any derivative instrument during the year. The Company does not have any foreign currency exposures towards receivables, payables or any other derivative instrument that have not been hedged.
- In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2023 and 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. 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

Praveen Keshav  
Partner  
Membership No. 535106



For and on behalf of the Board of Directors

Kubeir Khara  
Director  
[DIN: 03498226]

Akhil Malhotra  
Director  
[DIN: 09784585]

Place: Gurugram  
Date: 25 May 2023