INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF **PRATYAYA E COMMERCE PRIVATE LIMITED**

Report on the Audit of the INDAS Financial Statements

Opinion

We have audited the accompanying Ind As financial statements of **PRATYAYA E COMMERCE PRIVATE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Ind As financial statements").

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

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include Ind AS financial statements and our auditor's report thereon.

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

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

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

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act withrespect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, andcash 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 the assets of the Company and for preventingand 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 effectivelyfor 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.

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008919S
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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 liquidatethe Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial 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 alsoresponsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 orconditions 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'sreport 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 tothe date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work;and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company sofar 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 the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualifiedas on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Ind As financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Ind As financial statements.

g) With respect to the other matters 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 remuneration given by the company to its directors during the year is in accordance with the provisions of Sec 197 of the Act.

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FRN: 000891S
Chartered Accountants

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

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company do not have any material foreseeable losses on long-term contracts including derivative contracts.

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

vi. 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, whetherrecorded 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 receivedby the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that theCompany 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 and (b) above, contain any material misstatement.

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v. The Company has not declared or paid any dividend during the year in contravention to the provisions of section 123 of the Companies Act, 2013.

vi. Based on our examination, which includes test checks, the company has used the accounting software for maintaining its books of accounts for the financial year ended March 31,2024 which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules,2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

For S.R Garimella & Co.,
Chartered Accountants
FRN: 000891S

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Sai Sandeep Garimella D P
Partner
M No:227200
UDIN: 24227200BKCSNY7828

Place: Hyderabad (Camp)
Date: 15.05.2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Pratyaya E Commerce Private Limited of even date)

Report on the Internal Financial Controls with reference to Ind As Financials Statements 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 Ind As financial statements of **PRATYAYA E COMMERCE PRIVATE LIMITED** (the "Company") as of March 31, 2024 in conjunction with our audit of the Ind As financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to Ind As financial statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind As financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Ind As financial statements. Those Standards and the Guidance Note require that we comply

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with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind As 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 controls with reference to Ind As financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind As financial statements included obtaining an understanding of internal financial controls with reference to Ind As 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 Ind As financial statements.

Meaning of Internal Financial Controls with reference to Ind As financial statements

A company's internal financial control with reference to Ind As 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 control with reference to Ind As 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Inherent Limitations of Internal Financial Controls with reference to Ind As Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind As financial statements to future periods are subject to the risk that the internal financial control with reference to Ind As 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Ind As financial statements and such internal financial controls with reference to Ind As financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Ind As financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For S.R Garimella & Co.,
Chartered Accountants
FRN: 000891S

Sai Sandeep Garimella D P
Partner
M No:227200
UDIN: 24227200BKCSNY7828

Place: Hyderabad (Camp)
Date: 15.05.2024

S.R. GARIMELLA & CO. # 48-11/3-6/6, Currency Nagar, VIJAYAWADA-8. FRN: 000891S Chartered Accountants

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report 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 Companies Act, 2013 (Refer to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2024, we report the following:

(i) In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:

(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has no intangible assets.

(b) The Company has a programme of verification to cover all the items of fixed assets in a phased manner which in our opinion is reasonable having regard to the side of the company and the nature of its assets. Pursuant to the programme certain fixed assets were physical verified by the management during the year, according to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) The company has no immovable properties, which are not held in the name of the company.

(d) The company has not revalued its Property, Plant and Equipment during the year. Therefore, the provisionsof Clause (i)(d) of paragraph 3 of the order are not applicable to the company.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.

(ii) (a) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the

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48-11/3-6/6, Currency Nagar, VIJAYAWADA-8.
FRN: 000891S
Chartered Accountants

management is appropriate. Discrepancies of 10% are more in aggregate for each class of inventory were not noticed on such physical verification.

(b) As disclosed in Note -15 financial statements, the company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from ICICI Bank on the basis of security of current assets. However, the submission of quarterly returns or statements are waived by the bank.

(iii) During the year, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, LimitedLiability Partnerships or any other parties. Therefore, the provisions of clause 3(iii) of the said Order are not applicable to the company.

(iv) The company has not made any loans, investments, guarantees and security on which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Therefore, the provisions of clause 3(iv) of the said Order are not applicable to the company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, the provisions of Clause (v) of paragraph 3 of the order are not applicableto the Company.

(vi) As explained to us, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Therefore, the provisions of Clause (vi) of paragraph 3 of the order are not applicable to the Company.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including, Income tax, GST, Cess and other statutory dues with the appropriate authorities to the extent applicable to it. There are no undisputed amounts payable in respect of income tax, GST or cess which have remained outstanding as at March 31, 2024 for a period of more than 6 months from the date they became payable.

(b) According to the information and explanations given to us, the Company is not having the tax dues under dispute.

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48-11/3-6/6, Currency Nagar, VIJAYAWADA-8.
FRN: 008915
Chartered Accountants

(viii) In our opinion and according to the information and explanations given to us, there is no any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or other borrowings or any interest due thereon to any lender.

(b) In our opinion and according to the information and explanations given to us, the company has not been a declared willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been utilized for long term purposes.

(e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Therefore, the provisions of Clause (x)(a) of paragraph 3 of the order are not applicable to the Company.

(b) The Board of Directors of the Company vide a circular resolution dated August 21, 2023 approved to offer, issue 4,09,483 - 9.45% Cumulative Compulsorily Convertible Preference Shares ('CCCPS'/'Series A-Preference Shares') of Rs. 1/- each for cash, at a premium of Rs. 231/- each aggregating to Rs. 9,50,00,056 (Rupees Nine Crores Fifty Lakhs Fifty-Six Only). The CCPS holder shall be entitled to receive dividend in preference to any dividend on equity shares and all the dividends payable shall be paid on the date of conversion of CCPS into equity

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#48-11/3-6/6,
Currency Nagar,
VIJAYAWADA-8.
FRN: 000891S
Chartered Accountants

shares of the Company. Pursuant to the terms of issuance, the due date for conversion of 9.45% CCPS is at any time after February 29, 2024 but before March 31, 2025. These CCCPS have been issued in the below tranches:

- (Tranche -1) : 2,45,690 9.45% Cumulative redeemable preference shares of Rs. 10/- each are entitled to a cumulative dividend @ 9.45% p.a have been alloted on September 7, 2023

- (Tranche -2): 1,63,793 9.45% Cumulative redeemable preference shares of Rs. 10/- each are entitled to a cumulative dividend @ 9.45% p.a have been alloted on March 31, 2024.

(ii) In our opinion and according to the information and explanations given to us, the company has complied the requirements under section 42 and section 62 of the Companies Act, 2013 as applicable.

(iii) As of best of knowledge and information and explanation given to us, funds have been utilized for the purposes for which they have been raised.

(xi) (a) We have not noticed any case of fraud by the company or any fraud on the Company by its officers or employees during the year. The management has also not reported any case of fraud during the year.

(b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xii) The company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the order are not applicable to the Company.

(xiii) As per the information and explanations received to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable, and the details have been disclosedin the financial statements, etc., as required by the applicable accounting standards. Identification of related parties were made and provided by the management of the company.

S.R. GARIMELLA & CO.
48-11/3-6/6, Currency Nagar, VIJAYAWADA-8. FRN: 008915 Chartered Accountants

(xiv) The company is not covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. Therefore, the company is not required to appoint any internal auditor. Therefore, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him for the year under review. Therefore, the provisions of Clause (xv) of paragraph 3 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.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) As per the information and explanations received, the group does not have any CIC as part of the group.

(xvii) The Company has incurred cash loss of Rs 1024.36 lacs during the financial year covered by our audit and loss of Rs 663.94 lacs the immediately preceding financial year.

(xviii) There has been no resignation of the previous statutory auditors during the year.

(xix) 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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, no material uncertainty exists as on the date of the audit report indicating that 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.

S.R. GARIMELLA & CO.
48-11/3-6/6, Currency Nagar, VIJAYAWADA-8.
FRN: 000891S
Chartered Accountants

(xx) There is no liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.

(xxi) The company has not made investments in subsidiary company. Therefore, the company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the orderare not applicable to the Company.

For S.R Garimella & Co.,
Chartered Accountants
FRN: 000891S

Sai Sandeep Garimella D P
Partner
M No: 227200
UDIN: 24227200BKCSNY7828

Place: Hyderabad (Camp)
Date: 15.05.2024

S.R. GARIMELLA & CO. # 48-11/3-6/6, Currency Nagar, VIJAYAWADA-8. FRN: 000891S Chartered Accountants

Pratyaya E-Commerce Private Limited
CIN - U72900TG2014PTC096782
Balance Sheet as at March 31, 2024
(All amounts in ₹ Lakhs; unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	10.42	13.95
(b) Deferred tax assets (net)	4	417.42	148.64
(c) Non-current tax assets (net)	5	5.10	1.14
Total - Non-current assets		**432.94**	**163.73**
II Current assets			
(a) Inventories	6	687.24	483.69
(b) Financial assets			
(i) Trade receivables	7	42.41	83.55
(ii) Cash and cash equivalents	8	184.50	55.52
(iii) Bank balance other than Cash and cash equivalents	9	4.00	4.00
(iv) Other financial assets	10	15.86	15.62
(c) Other current assets	11	445.56	147.91
Total - Current assets		**1,379.57**	**790.29**
TOTAL - ASSETS		**1,812.51**	**954.02**
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	12a	3.95	3.95
(b) Other equity	13	(1,320.64)	(556.99)
Total - Equity		**(1,316.69)**	**(553.04)**
II Non-current liabilities			
(a) Provisions	14	21.27	13.96
Total - Non-current liabilities		**21.27**	**13.96**
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	780.00	991.42
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	16	459.96	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	801.18	440.81
(iii) Other financial liabilities	17	980.30	7.48
(b) Provisions	18	10.20	2.69
(c) Other current liabilities	19	76.29	50.70
Total - Current liabilities		**3,107.93**	**1,493.10**
Total - Liabilities		**3,129.20**	**1,507.06**
TOTAL - EQUITY AND LIABILITIES		**1,812.51**	**954.02**
Summary of material accounting policies	2		

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

As per our report of even date
For S.R. Garimella & Co.
Chartered Accountants
ICAI Firm Registration No. 000891S

Sai Sandeep Garimella D P
Partner
Membership No.: 227200
Place: Hyderabad
Date : May 15, 2024

S.R. GARIMELLA & CO. # 48-11/3-6/6, Currency Nagar, VIJAYAWADA-8. FRN: 000891S Chartered Accountants

For and on behalf of the Board of Directors of
Pratyaya E-Commerce Private Limited

G. Bala Satish

Prashant Sharma
(Director)
(DIN: 10478931)
Place: Bengaluru
Date : May 15, 2024

G Bala Satish
(Director)
(DIN: 07013884)
Place: Bengaluru
Date : May 15, 2024

Pratyaya E-Commerce Pvt. Ltd.

Pratyaya E-Commerce Private Limited
CIN - U72900TG2014PTC096782
Statement of Profit and Loss for the year ended March 31, 2024
(All amounts in ₹ Lakhs; unless otherwise stated)

		Notes	Year Ended March 31, 2024	Year Ended March 31, 2023
I	Revenue from operations	20	4,544.85	1,635.77
II	Other income	21	3.41	0.41
III	**Total income (I + II)**		**4,548.26**	**1,636.18**
IV	**Expenses**			
	(a) Purchase of stock-in-trade	22a	2,419.76	1,169.82
	(b) Changes in inventories of stock-in-trade	22b	(203.55)	(384.46)
	(c) Employee benefits expense	23	366.48	260.70
	(d) Finance costs	24	109.70	66.38
	(e) Depreciation and amortisation expense	25	4.68	4.73
	(f) Other expenses	26	2,880.23	1,187.69
	Total expenses		**5,577.30**	**2,304.86**
V	**(Loss) / Profit before tax (III - IV)**		**(1,029.04)**	**(668.68)**
VI	**Income tax expense**			
	(a) Current tax	27	-	-
	(b) Deferred tax	27	(267.49)	(147.97)
			(267.49)	**(147.97)**
VII	**(Loss) / Profit for the year (V - VI)**		**(761.55)**	**(520.71)**
VIII	**Other comprehensive (loss) / income**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement (losses) / gains on defined benefit plans	30	(3.38)	9.21
	Income tax effect on above	27	1.28	(2.31)
	Total other comprehensive (loss) / income for the year		**(2.10)**	**6.90**
IX	**Total comprehensive (loss) / income for the year (VII + VIII)**		**(763.65)**	**(513.81)**
X	**Earnings per equity share [Nominal value of share ₹ 1 (March 31, 2023 ₹ 1)]**	28		
	Basic (₹)		(192.82)	(165.85)
	Diluted (₹)		(192.82)	(165.85)
Summary of material accounting policies		2		

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

As per our report of even date

For S.R. Garimella & Co.
Chartered Accountants
ICAI Firm Registration No. 000891S

Sai Sandeep Garimella D P
Partner
Membership No.: 227200
Place: Hyderabad
Date : May 15, 2024

For and on behalf of the Board of Directors of
Pratyaya E-Commerce Private Limited

Prashant Sharma
(Director)
(DIN: 10478931)
Place: Bengaluru
Date : May 15, 2024

G Bala Satish
(Director)
(DIN: 07013884)
Place: Bengaluru
Date : May 15, 2024

S.R. GARIMELLA & CO. # 48-11/3-6/6, Currency Nagar, VIJAYAWADA-8. FRN: 000891S Chartered Accountants

Pratyaya E-Commerce Pvt. Ltd.

Pratyaya E-Commerce Private Limited
CIN - U72900TG2014PTC096782
Statement of Changes in Equity for year ended March 31, 2024
(All amounts in ₹ Lakhs; unless otherwise stated)

a. Equity share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹	No. of shares	₹
Equity shares of ₹ 1 each issued				
As at the beginning of the year	394,950	3.95	133,333	1.33
Increased during the year	-	-	261,617	2.62
As at the end of the year	**394,950**	**3.95**	**394,950**	**3.95**

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹	No. of shares	₹
Equity shares of ₹ 1 each subscribed and paid up				
As at the beginning of the year	394,950	3.95	133,333	1.33
Increased during the year	-	-	261,617	2.62
As at the end of the year	**394,950**	**3.95**	**394,950**	**3.95**

b. Other equity

	Reserves and Surplus		Other comprehensive income	
	Retained earnings	Securities premium	Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 13)	Total other equity
As at April 01, 2022	(791.25)	180.67	-	**(610.58)**
Loss for the year	(520.70)	-	-	(520.70)
Other comprehensive income for the year	-	-	6.90	6.90
Premium received on issue of equity shares	-	567.38	-	567.38
As at March 31, 2023	**(1,311.95)**	**748.05**	**6.90**	**(557.00)**
Loss for the year	(761.55)	-	-	(761.55)
Other comprehensive income for the year	-	-	(2.10)	(2.10)
As at March 31, 2024	**(2,073.50)**	**748.05**	**4.80**	**(1,320.65)**

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

As per our report of even date

For S.R. Garimella & Co.
Chartered Accountants
ICAI Firm Registration No. 000891S

Sri Sandeep Garimella D P
Partner
Membership No.: 227200
Place: Hyderabad
Date : May 15, 2024

S.R. GARIMELLA & CO. # 48-11/3-6/6, Currency Nagar, VIJAYAWADA-8. FRN: 000891S Chartered Accountants

For and on behalf of the Board of Directors of
Pratyaya E-Commerce Private Limited

Prashant Sharma
(Director)
(DIN: 10478931)
Place: Bengaluru
Date : May 15, 2024

G. Bala Satish

G Bala Satish
(Director)
(DIN: 07013884)
Place: Bengaluru
Date : May 15, 2024

Pratyaya E-Commerce Pvt. Ltd.

Pratyaya E-Commerce Private Limited
CIN - U72900TG2014PTC096782
Statement of Cash Flows for the year ended March 31, 2024
(All amounts in ₹ Lakhs; unless otherwise stated)

	Notes	Year Ended March 31, 2024	Year Ended March 31, 2023
Cash flows from operating activities			
Loss before tax		**(1,029.04)**	**(668.68)**
Adjustments for:			
Depreciation and amortisation expense	25	4.68	4.73
Interest income	21	-	(0.41)
Finance costs	24	109.70	66.38
Operating profit before working capital changes		**(914.66)**	**(597.98)**
Decrease / (Increase) in trade receivables		41.14	(81.40)
(Increase) in inventories		(203.55)	(384.46)
(Increase) in other assets		(297.86)	(58.87)
Decrease / (Increase) in other current financial assets		0.19	(11.96)
Increase in trade payables		820.33	56.88
Increase in provisions		3.89	11.20
Increase in other liabilities		25.59	64.13
Increase/ (decrease) in other current financial liabilities		22.68	(4.17)
Increase/ (decrease) in provisions - non-current		7.32	(7.14)
Cash generated from / (used in) operations		**(494.93)**	**(1,013.77)**
Income taxes paid / refund receieved		(3.96)	(0.03)
Net cash flows generated from / (used in) operating activities		**(498.89)**	**(1,013.80)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(1.15)	(8.06)
Net cash flows used in investing activities		**(1.15)**	**(8.06)**
Cash flows from financing activities			
Proceeds from issue of share capital		-	570.00
Proceeds from issue of compulsorily convertible preference shares		950.14	-
(Repayment) of non-current borrowings (net off charges)		-	(204.01)
(Repayments) / Proceeds of current borrowings (net)		(211.42)	770.55
Interest paid		(109.70)	(60.23)
Net cash flows (used in) / from financing activities		**629.02**	**1,076.31**
Net Increase in cash and cash equivalents		**128.98**	**54.45**
Cash and cash equivalents at the beginning of the year		55.52	1.07
Cash and cash equivalents at the end of the year	8	**184.50**	**55.52**
Components of Cash and cash equivalents			
Balances with banks - on current accounts		183.42	55.45
Cash on hand		1.08	0.07
		184.50	**55.52**
Total Cash and cash equivalents		**184.50**	**55.52**

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

As per our report of even date
For S.R. Garimella & Co.
Chartered Accountants
ICAI Firm Registration No. 000891S

Sai Sandeep Garimella D P
Partner
Membership No.: 227200
Place: Hyderabad
Date : May 15, 2024

S.R. GARIMELLA & CO. # 48-11/3-6/6, Currency Nagar, VIJAYAWADA-8. FRN: 000891S Chartered Accountants

For and on behalf of the Board of Directors of
Pratyaya E-Commerce Private Limited

Prashant Sharma
(Director)
(DIN: 10478931)
Place: Bengaluru
Date : May 15, 2024

G. Bala Satish

G Bala Satish
(Director)
(DIN: 07013884)
Place: Bengaluru
Date : May 15, 2024

Pratyaya E-Commerce Pvt. Ltd.

1. Corporate information

Pratyaya E-Commerce Private Limited ("the Company"), a private limited company domiciled in India and was incorporated on December 11, 2014 ('date of incorporation') under the provisions of the Companies Act, 2013. The registered office of the Company is located at Western Aqua, Cabin No. 121, 5th Floor, Workafella Business Centre Hi-Tech City, Whitefields, Kondapur Shaikpet TG 500081 IN.

The Company is involved in the business of trading of goods on its own online platform and other e-commerce portals.

The financial statements have been approved by the Board of Directors in their meeting held on **May 15, 2024**

2. Basis of preparation

2.1 Compliance with Ind AS and historical cost convention

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. The financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;

The Ministry of Corporate Affairs (MCA) through a notification, notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended the following accounting standards and the amendments are applicable for financial periods commencing from April 1, 2022. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

2.2 Functional and Presentation Currency:

The financial statements are presented in Indian Rupee (Rs. / ₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Lakhs, unless otherwise stated.

2.3 Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

2.4 New and amended standards adopted by the Company:

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

Disclosure of accounting policies amendments to Ind AS 1

- Companies are now required to disclose material accounting policies instead of significant accounting policies.
- Accounting policy information considered together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.
- Accounting policy information that relates to immaterial transactions, other events or conditions need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are material. However, not all accounting policy information relating to material transactions, other events or conditions is itself material

Definition of accounting estimates amendments to Ind AS 8

- The definition of 'change in account estimate' has been replaced by the definition of an 'accounting estimate'. As per the amendment, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.
- The amendment states that a company develops an accounting estimate to achieve the objective set out by an accounting policy.
- As per the amendment, measurement techniques and inputs are used to develop an accounting estimate. Measurement techniques include estimation techniques and valuation techniques.

Deferred tax related to assets and liabilities arising from a single transaction amendments to Ind AS 12

The amendment has narrowed the scope of the Initial Recognition Exemption (IRE) for deferred tax liability and asset. As per the amendment, a deferred tax liability or asset is not required to be recognised from:

a. Initial recognition of goodwill or
b. Initial recognition of an asset or liability arising in a transaction which:
    i. Is not a business combination
    ii. At the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and
    iii. At the time of the transaction, does not give rise to equal taxable and deductible temporary differences. (emphasis added to highlight the change)

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequent of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

2A Material accounting policies

(I) Revenue from contracts with customers

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ services.

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue from sale of products

Revenue from sales of products is measured at the amount of transaction price (net of returns, customer incentives, discounts, variable consideration and other similar charges offered by the Company) allocated to that performance obligation.

Goods and Service Tax (GST) is not received by the Company in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Assets and liabilities arising from right to return

The Company has contracts with customers which entitles them the unconditional right to return.

Right to return assets

A right of return gives an entity a contractual right to recover the goods from a customer (return to return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities

A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Company has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The Company has presented its right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

(II) Property, plant and equipment

Property, plant and equipment is stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful life of the asset estimated by the management. Depreciation on additions is provided on a pro rata basis from the month of installation or acquisition. Depreciation on deletions/ disposals is provided on a pro rata basis upto the month preceding the month of deletions/ disposals. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used. The Company has used the following rates to provide depreciation on its tangible fixed assets:

Assets where useful life differ from Schedule II

Assets	Class of Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Servers, end user devices, such as desktops, laptops, etc.	Computers	3 years for end user devices and 6 years for servers	4 years
Furniture and fittings (other than retail stores)	Furniture and fixtures	10 years	7 years
Office electrical equipment	Office equipment	5 years	4 years

Useful life of assets different from that prescribed in Schedule II has been estimated by the management, supported by technical assessment.

(III) Leases

Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(IV) Financial instruments

i. Classification of financial assets at amortised cost : The Company classifies its financial assets at amortised cost only if both of the following criteria are met: (a) the asset is held within a business model whose objective is to collect the contractual cash flows, and (b) the contractual terms give rise to cash flows that are solely payments of principal and interest. Financial assets classified at amortised cost comprise trade receivables, loans, security deposits.
ii. Classification of financial assets at fair value through other comprehensive income : Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities (unlisted) which are not held for trading, and for which the Company has irrevocably elected at initial recognition to recognise changes in fair value through OCI rather than profit or loss. These are strategic investments and the Company considers this classification to be more relevant.
iii. Classification of financial assets at fair value through profit or loss : The Company classifies the following financial assets at fair value through profit or loss (FVPL): (a) debt investments (bonds, debentures and mutual funds) that do not qualify for measurement at either amortised cost or FVOCI, (b) equity investments that are held for trading, and (c) equity investments for which the entity has not elected to recognise fair value gains and losses through OCI, and Investments in financial instruments issued by subsidiaries, associate and joint venture, whose contractual terms are not wholly equity in nature.

(V) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time).

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(VI) Inventories

Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realisable value. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average cost basis.

Standards issued but not yet effective:

Companies are required to explain if there are any accounting standards which are issued but not yet effective and are expected to have a material impact on the company. As on the date of release of these illustrative financial statements, MCA has not issued any standards/ amendments to accounting standards which are effective from 1 April 2024.

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 3
PROPERTY, PLANT AND EQUIPMENT

	Computers	Furniture and fixtures	Office equipment	Total
Deemed Cost				
As at April 1, 2022	11.87	7.61	7.94	**27.42**
Additions	5.12	0.22	2.72	**8.06**
Disposals	-	-	-	-
As at March 31, 2023	**16.99**	**7.83**	**10.66**	**35.48**
Additions	0.14	-	1.01	**1.15**
Disposals	(1.01)	(0.34)	(0.71)	**(2.06)**
As at March 31, 2024	**16.12**	**7.49**	**10.96**	**34.57**
Depreciation				
As at April 1, 2022	8.16	2.45	6.19	**16.80**
Depreciation for the year (Refer Note - 25)	2.03	1.49	1.21	**4.73**
Disposals	-	-	-	-
As at March 31, 2023	**10.19**	**3.94**	**7.40**	**21.53**
Depreciation for the year (Refer Note - 25)	2.03	1.49	1.16	**4.68**
Disposals	(1.01)	(0.34)	(0.71)	**(2.06)**
As at March 31, 2024	**11.21**	**5.09**	**7.85**	**24.15**
Net carrying value as at:				
March 31, 2023	**6.79**	**3.89**	**3.26**	**13.95**
March 31,2024	**4.91**	**2.40**	**3.11**	**10.42**

Net carrying value

	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment	10.42	13.95
Total	**10.42**	**13.95**

During the previous year ended March 31, 2023 the company has revised its estimated useful life on Property, plant and equipment. The change in useful life has been given below:-

Assets	Revised Useful Life	Useful life
Furniture and fixtures	7	10
Computers	4	3

On account of such revision in estimated useful life, the Company has accounted for additional depreciation amounting to Rs. 0.10 in the previous year ended March 31, 2023.

(This space has been left blank intentionally)

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 4
DEFERRED TAX ASSETS (NET)

	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	418.46	150.96
Deferred tax liabilities	(1.04)	(2.32)
Deferred tax assets/ (liabilities) (net)	**417.42**	**148.64**

NOTE: 5
NON-CURRENT TAX ASSETS

	As at March 31, 2024	As at March 31, 2023
Tax deducted at source & Advance income tax	5.10	1.14
Total	**5.10**	**1.14**

(This space has been left blank intentionally)

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 6
INVENTORIES

	As at March 31, 2024	As at March 31, 2023
At lower of cost and net realisable value		
Stock-in-trade	766.30	483.69
Less : Provision for inventory obsolescence	(79.06)	-
	687.24	**483.69**

NOTE: 7
TRADE RECEIVABLES

	As at March 31, 2024	As at March 31, 2023
Trade receivables from others - Unsecured	42.41	83.55
Total	**42.41**	**83.55**

Ageing of Trade Receivables:

Particulars	Not due	Outstanding (for following periods from due date of payment)					Total
		0 - 6 months	6 months - 1	1-2 years	2-3 years	More than 3	
March 31, 2024							
(i) Undisputed Trade Receivables – considered good	-	42.41	-	-	-	-	**42.41**
	-	**42.41**	**-**	**-**	**-**	**-**	**42.41**
March 31, 2023							
(i) Undisputed Trade Receivables – considered good	26.31	57.24	-	-	-	-	**83.55**
	26.31	**57.24**	**-**	**-**	**-**	**-**	**83.55**

Trade receivables are generally non-interest bearing and on terms of 30 to 180 days.

No trade or other receivables is due from directors or other officers of the Company either severally or jointly with any other person.

The Company has evaluated credit risk for e-commerce b2b, e-commerce b2c for receivables outstanding as at March 31, 2024. The Company follows the simplified approach method for computing the provisions on trade receivables on an individual basis. The Company does not have an historical credit loss experience to adjust forward looking estimates and macro-economic factors. The Company has assessed the credit risk on an individual basis and has identified some trade receivables to be doubtful for which provision has been created. Other than these doubtful receivables there are no expected credit loss adjustments expected for the year ended March 31, 2024.

NOTE: 8
CASH AND CASH EQUIVALENTS

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
Current accounts	183.42	55.45
Cash on hand	1.08	0.07
Total	**184.50**	**55.52**

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 9
BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2024	As at March 31, 2023
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)*	4.00	4.00
Total	**4.00**	**4.00**

* Bank balance other than Cash and cash equivalents are held as margin money under lien to banks for credit cards used by the Company.

NOTE: 10
CURRENT FINANCIAL ASSETS - OTHERS

	As at March 31, 2024	As at March 31, 2023
Security deposits	15.00	15.00
Interest accrued on deposits	0.86	0.62
Total	**15.86**	**15.62**

NOTE: 11
OTHER CURRENT ASSETS

	As at March 31, 2024	As at March 31, 2023
Balances with government authorities	317.19	133.86
Right to return assets	97.13	11.30
Advance to suppliers	26.13	0.67
Prepayments	5.11	0.53
Advances to employees	-	0.82
Other Advances	-	0.73
Total	**445.56**	**147.91**

(This space has been left blank intentionally)

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 12a
EQUITY SHARE CAPITAL

Authorised share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹	No. of shares	₹
Equity Shares				
25,00,000 equity shares of Rs.1 each	2,500,000	25.00	1,000,000	10.00
	2,500,000	**25.00**	**1,000,000**	**10.00**

Issued, Subscribed and paid-up equity share capital

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	₹	No. of shares	₹
Equity shares of Rs. 1 each				
As at the beginning of the year	394,950	3.95	133,333	1.33
Increase during the year	-	-	261,617	2.62
As at the end of the year	**394,950**	**3.95**	**394,950**	**3.95**

(i) Shares held by Promoters :

Promoter name	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Katakam Venkata Karthik	47,333	11.98%	47,333	11.98%	0.00%
Bala Satish Gurlinka	47,333	11.98%	47,333	11.98%	0.00%
Aditya Birla Digital Fashion Ventures Limited	300,280	76.03%	261,613	66.24%	9.79%

(ii) Rights, preferences and restrictions attached to equity shares

Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the equity shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential share holders and preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% of paid-up share capital	No. of shares held	% of paid-up share capital
Aditya Birla Digital Fashion Ventures Limited	300,280	76.03%	261,613	66.24%
Katakam Venkata Karthik	47,333	11.98%	47,333	11.98%
Bala Satish Gurlinka	47,333	11.98%	47,333	11.98%
Rakhee Rakesh Agrawal	-	-	33,333	8.44%

Aditya Birla Digital Fashion Venture Private Limited, invested 2,61,613 shares pursuant to a Share Purchase Agreement dated July 22, 2022. These shares were valued at INR 217.88 per share. Further, during the previous year 33,333 shares of Rakhee Rakesh Agarwal have been transferred to Aditya Birla Digital Fashion Venture Private Limited. The change in shareholding pattern is on account of acquisition of shares by Aditya Birla Digital Fashion Venture Private Limited.

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 13
Reserves and surplus

	As at March 31, 2024	As at March 31, 2023
Retained earnings		
As at the beginning of the year	(1,311.94)	(791.25)
Add: Loss for the year	(761.55)	(520.70)
As at the end of the year	**(2,073.49)**	**(1,311.94)**
Securities premium		
As at the beginning of the year	748.05	180.67
Add: Premium received on issue of equity shares	-	567.38
As at the end of the year	**748.05**	**748.05**
Other comprehensive income		
Remeasurement gains/ (losses) on defined benefit plans		
As at the beginning of the year	6.90	-
Gains/ (losses) during the year	(2.10)	6.90
As at the end of the year	**4.80**	**6.90**
Total	**(1,320.64)**	**(556.99)**

Other equity

	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
Retained earnings	(2,073.49)	(1,311.94)
Securities premium	748.05	748.05
Other comprehensive income	4.80	6.90
Total	**(1,320.64)**	**(556.99)**

1. Retained earnings
Retained earnings comprise of the Company's accumulated undistributed profits/ (losses) after taxes.

2. Securities premium
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

3. Remeasurement gains/ (losses) on defined benefit plans
The cumulative balances of gains/ (losses) arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in remeasurement gains/ (losses) reserve will not be reclassified subsequently to Statement of Profit and Loss.

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Pratyaya E-Commerce Private Limited
CIN - U72900TG2014PTC096782
Notes to the financial statements for year ended March 31, 2024
(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 14
NON-CURRENT PROVISIONS

	As at March 31, 2024	As at March 31, 2023
Employee benefit obligation		
Provision for gratuity (Refer Note - 30)	21.27	13.96
Total	**21.27**	**13.96**

NOTE: 15
CURRENT FINANCIAL LIABILITIES - BORROWINGS (UNSECURED AND CONSIDERED GOOD)

	Effective interest rate % p.a.	Repayment Terms	As at March 31, 2024	As at March 31, 2023
Cash credit/ Working capital demand loan (secured) #1	MCLR- 6M+ Spread P.A	On demand	-	221.42
Loans repayable on demand (Unsecured) *	SBI 6 months MCLR + 1.00%	On demand	770.00	770.00
Working capital demand loan - Aditya Birla Finance Limited	10.20%	On demand	10.00	-
Total current borrowings			**780.00**	**991.42**
Borrowings - secured			-	221
Borrowings - unsecured			780	770

*Represents payables to related parties, refer note - 31.

#1 The above secured loan is secured by a first pari-passu charge on all current assets and movable fixed assets of the Company.

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(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 16
TRADE PAYABLES

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer details below)	459.96	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	801.18	440.81
Total	**1,261.14**	**440.81**

*Includes payables to related parties, For terms and conditions with related parties (Refer Note - 31).

Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

	As at March 31, 2024	As at March 31, 2023
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal amount due to Micro and Small Enterprises	457.38	-
Interest due on the above	-	-
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. 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 Micro, Small and Medium Enterprises Development Act, 2006	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year	2.58	-
e. 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 of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors.

Ageing of Trade Payables:

Particulars	Outstanding as on March 31,2024 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	458.43	1.53	-	-	-	**459.96**
(ii) Others	562.10	76.45	0.92	161.71	-	**801.18**

Particulars	Outstanding as on March 31,2023 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	79.84	360.97	-	-	-	**440.81**

NOTE: 17
CURRENT FINANCIAL LIABILITIES - OTHERS

	As at March 31, 2024	As at March 31, 2023
9.45% Compulsorily Convertible Preference Shares (CCPS) #	950.14	-
Interest accrued and due on borrowing (refer note - 31)	5.58	5.53
Employee payable	24.58	1.95
Total	**980.30**	**7.48**

Board of Directors of the Company vide a circular resolution dated August 21, 2023 approved to offer, issue 4,09,483 - 9.45% Cumulative Compulsorily Convertible Preference Shares ('CCCPS'/'Series A-Preference Shares') of Rs. 1/- each for cash, at a premium of Rs. 231/- each aggregating to Rs. 9,50,00,056 (Rupees Nine Crores Fifty Lakhs Fifty-Six Only). The CCPS holder shall be entitled to receive dividend in preference to any dividend on equity shares and all the dividends payable shall be paid on the date of conversion of CCPS into equity shares of the Company. Pursuant to the terms of issuance, the due date for conversion of 9.45% CCPS is at any time after February 29, 2024 but before March 31, 2025. These CCCPS have been issued in the below tranches:

(Tranche -1) : 2,45,690 9.45% Cumulative redeemable preference shares of Rs. 10/- each are entitled to a cumulative dividend @ 9.45% p.a have been alloted on September 7, 2023
(Tranche -2): 1,63,793 9.45% Cumulative redeemable preference shares of Rs. 10/- each are entitled to a cumulative dividend @ 9.45% p.a have been alloted on March 31, 2024.

NOTE: 18
CURRENT PROVISIONS

	As at March 31, 2024	As at March 31, 2023
Employee benefit obligation		
Provision for gratuity (Refer Note - 30)	4.06	2.69
Provision for leave encashment	6.14	-
Total	**10.20**	**2.69**

NOTE: 19
OTHER CURRENT LIABILITIES

	As at March 31, 2024	As at March 31, 2023
Advances received from customers	39.90	-
Statutory dues (other than income tax)	8.43	9.12
Refund liabilities	27.96	41.58
Total	**76.29**	**50.70**

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 20
REVENUE FROM OPERATIONS

	Year Ended March 31, 2024	Year Ended March 31, 2023
Revenue from sale of products		
Sale of products	4,544.85	1,635.77
Total	**4,544.85**	**1,635.77**

(a) Contract balances

	Year Ended March 31, 2024	Year Ended March 31, 2023
Trade receivables	687.24	483.69
Advances from customers	39.90	-

NOTE: 21
OTHER INCOME

	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest income	0.24	0.41
Other income	3.17	-
Total	**3.41**	**0.41**

NOTE: 22
PURCHASE OF STOCK-IN-TRADE

	Year Ended March 31, 2024	Year Ended March 31, 2023
(a) Purchase of stock-in-trade		
Purchase of stock-in-trade	2,419.76	1,169.82
Total	**2,419.76**	**1,169.82**
(b) Changes in inventories of stock-in-trade		
Opening inventories		
Stock-in-trade	483.69	99.23
	483.69	**99.23**
Less:		
Closing inventories		
Stock-in-trade	687.24	483.69
	687.24	**483.69**
(Increase)/Decrease in inventories	**(203.55)**	**(384.46)**

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(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 23
EMPLOYEE BENEFITS EXPENSE

	Year Ended March 31, 2024	Year Ended March 31, 2023
Salaries, wages and bonus	344.02	252.17
Contribution to provident and other funds	12.42	2.47
Gratuity expense (Refer Note - 30)	5.30	4.06
Staff welfare expenses	4.74	2.00
Total	**366.48**	**260.70**

NOTE: 24
FINANCE COSTS

	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest expense on borrowings	32.95	2.08
Other borrowing cost	0.53	1.03
Interest on loans from directors and related parties (Refer Note - 31)	-	14.65
Interest on inter corporate deposit (Refer Note - 31)	76.22	48.62
Total	**109.70**	**66.38**

NOTE: 25
DEPRECIATION AND AMORTISATION EXPENSE

	Year Ended March 31, 2024	Year Ended March 31, 2023
Depreciation on property, plant and equipment (Refer Note - 3)	4.68	4.73
Total	**4.68**	**4.73**

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(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 26
OTHER EXPENSES

	Year Ended March 31, 2024	Year Ended March 31, 2023
Electricity charges	1.44	0.43
Rent	40.81	10.79
Warehousing charges	77.38	6.60
Advertisement and sales promotion	1,919.94	866.36
Transportation and handling charges	621.77	146.66
Repairs and maintenance		
Plant and machinery	0.33	-
Others	1.24	2.98
Insurance	2.06	0.26
Rates and taxes	17.65	13.72
Processing charges	-	-
Legal and professional expenses	16.64	18.75
Printing and stationery	0.65	18.71
Travelling and conveyance	7.86	8.87
Communication expenses	0.29	0.15
Payment gateway charges	32.22	31.28
Payment to auditors (Refer details below)	2.00	1.50
Provision for bad and doubtful advances	9.45	-
Information technology expenses	89.79	50.10
Commission Expenses	38.38	8.61
Miscellaneous expenses	0.33	1.75
Postage expenses	-	0.17
Total	**2,880.23**	**1,187.69**

Payment to auditors:

	Year Ended March 31, 2024	Year Ended March 31, 2023
For audit fees	2.00	1.50
Total	**2.00**	**1.50**

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(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 27
INCOME TAX EXPENSE
The major components of income tax (income)/ expense are:

Statement of Profit and Loss:
Profit or loss section

		Year Ended March 31, 2024	Year Ended March 31, 2023
Current income tax			
Current income tax charge		-	-
	(A)	-	-
Deferred tax			
Relating to origination and reversal of temporary differences		(267.49)	(147.97)
	(B)	(267.49)	(147.97)
Total	(A+B)	(267.49)	(147.97)

OCI section
Deferred tax related to items recognised in OCI during the year

	Year Ended March 31, 2024	Year Ended March 31, 2023
Net (gains)/ losses on re-measurement of defined benefit plans	(3.38)	9.21
Tax on above	1.28	(2.31)
Total	(2.10)	6.90

Deferred tax movement

March 31, 2024

Particulars	Opening balance	(Charge) / credit to profit or loss	Charge / credit to OCI	Closing balance
Property, plant and equipment	(0.47)	1.18	-	0.72
Provision for gratuity	1.30	5.09	-	6.39
Provision for leave encashment	-	1.55	-	1.55
Provision for sales return	7.62	2.35	-	9.97
Provision for inventory obsolescence	-	19.90	-	19.90
Unabsorbed Business Loss	142.51	237.42	-	379.93
Other comprehensive income	(2.32)	-	1.28	(1.04)
	148.64	**267.49**	**1.28**	**417.42**

March 31, 2023

Particulars	Opening balance	(Charge) / credit to profit or loss	Charge / credit to OCI	Closing balance
Property, plant and equipment	2.98	(3.45)	-	(0.47)
Provision for gratuity	-	1.30	-	1.30
Provision for sales return	-	7.62	-	7.62
Unabsorbed Business Loss	-	142.51	-	142.51
Other comprehensive income	-	-	(2.32)	(2.32)
	2.98	**147.98**	**(2.32)**	**148.64**

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(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE: 28
EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit/(loss) and equity share data used in the basic and diluted EPS computations:

		Year Ended March 31, 2024	Year Ended March 31, 2023
Profit / (Loss) as per the Statement of Profit and Loss		(761.55)	(520.71)
Loss for calculation of EPS	**(A)**	**(761.55)**	**(520.71)**
Weighted average number of equity shares for calculation of Basic EPS	**(B)**	394,950	313,956
Basic EPS (₹)	**(A/B)**	**(192.82)**	**(165.85)**
Weighted average number of equity shares outstanding	**(C)**	394,950	313,956
Weighted average number of potential equity shares*		138,285	-
Weighted average number of equity shares for calculation of Diluted EPS		394,950	313,956
Diluted EPS (₹)	**(A/C)**	**(192.82)**	**(165.85)**
Nominal value of shares (₹)		1.00	1.00

* Potential equity shares are not considered for diluted EPS computation as they are anti dilutive

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NOTE - 29

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below. The Company's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.
As at March 31, 2024, the Company has ₹ 1509.60 (March 31, 2023: ₹ 644.22)of tax losses carried forward as per income tax records of the Company.

(b) Employee benefit plans

The cost of the defined benefit plan and other employment benefits plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note - 31.

(c) Revenue recognition

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ services.
To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

<u>Revenue from sale of products</u>

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Goods and Service Tax (GST) is not received by the Company in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

<u>Interest income</u>

Interest income on all debt instruments is measured at amortised cost. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest income is included in other income in the Statement of Profit and Loss.

(d) Provision on inventories

The Company provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

(e) Provision for sales return

The Company provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

(f) Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(g) Going concern

The management has performed an assessment of the Company's ability to continue as a going concern. Based on the assessment, the management believes that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the financial statements have been prepared on a going concern basis.

Though the Company has incurred losses and the net worth has eroded, these financial statements have been prepared on a 'going concern' basis based on an Unconditional Letter of support provided by the Holding Company for meeting financial and contractual obligations till March 31, 2024.

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(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE - 30
GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company operates a gratuity plan wherein certain employees are entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service as per the Payment of Gratuity Act, 1972. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and Balance Sheet for the respective plans:

Unfunded defined benefit plan

Net benefit expense recognised through the Statement of Profit and Loss

	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	4.06	2.50
Interest cost on defined benefit obligation	1.24	1.56
Total	**5.30**	**4.06**

Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:

	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	**16.65**	**21.80**
Current service cost	4.06	2.50
Interest cost on defined benefit obligation	1.24	1.56
Actuarial (gain)/ loss on account of:		
Changes in demographic assumptions	(0.05)	(0.33)
Changes in financial assumptions	0.39	4.43
Experience adjustments	3.04	(13.31)
Actuarial (gain)/ loss recognised in OCI	**3.38**	**(9.21)**
Benefits paid	-	-
Closing defined benefit obligation	**25.33**	**16.65**

Amounts recognised in the Balance Sheet

	As at March 31, 2024	As at March 31, 2023
Present value of the defined benefit obligation at the end of the year:		
Unfunded	25.33	16.65
	25.33	**16.65**
Net liability is classified as follows:		
Current	4.06	2.69
Non-current	21.27	13.96

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(All amounts in ₹ Lakhs; unless otherwise stated)

The principal assumptions used in determining gratuity (funded and unfunded) defined benefit obligations for the Company are shown below:

	As at March 31, 2024	**As at March 31, 2023**
Discount rate	7.20%	7.45%
Salary growth rate	8.00%	8.00%

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

A quantitative sensitivity analysis for significant assumptions is as follows:

	As at March 31, 2024		**As at March 31, 2023**	
	Decrease	**Increase**	**Decrease**	**Increase**
Sensitivity level				
Discount Rate (- / + 1%)	27.02	23.84	17.75	15.67
(% change compared to base due to sensitivity)	6.70%	-5.90%	6.60%	-5.90%
Salary Growth Rate (- / + 1%)	24.07	26.63	15.77	17.57
(% change compared to base due to sensitivity)	-5.00%	5.10%	-5.30%	5.50%
Attrition Rate (- / + 1%)	25.31	25.34	16.66	16.63
(% change compared to base due to sensitivity)	-0.10%	0.00%	0.10%	-0.10%

The above sensitivity analysis have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

There has been no change from the previous year in the method and assumptions used in preparing the sensitivity analysis.

The maturity profile of the defined benefit obligation are as follows:

	As at March 31, 2024	**As at March 31, 2023**
Weighted average duration (based on discounted cashflows)	6 years	6 years
Within the next 12 months (next annual reporting period)	4.07	2.69
Between 2 and 5 years	12.84	8.53
Between 6 and 10 years	11.38	7.36
Beyond 10 years	16.68	11.62

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(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE - 31
RELATED PARTY TRANSACTIONS

Names of related parties and related party relationship with whom transactions have taken place:

Name of related parties

Ultimate Holding Company
Aditya Birla Fashion and Retail Limited

Holding Company
Aditya Birla Digital Fashion Ventures Limited

Fellow Subsidiaries
Awesomefab Shopping Private Limited
Next Tree Products Private Limited
Bewakoof Brands Private Limited

Key Management Personnel ("KMP")
Mr. Prashant Aluru - Nominee Director with effect from July 22, 2022
Mr. Manish Singhai - Nominee Director with effect from July 22, 2022
Mr. Bala Satish Gurlinka - Executive Director with effect from Dec 11, 2014
Mr. Katakam Venkata Karthik - Director resigned on July 22, 2022
Ms. Rakhee Rakesh Agarwal - Director resigned on July 22, 2022

Relative of Key Management Personnel ("KMP")
M Laasya - Wife of Mr Katakam Venkata Karthik

Body Corporate/Firm/Associate of Individuals/Proprietorship/Trust/LLP in which Director has interest/concern
Heckro Marketing LLP - Mr. Bala Satish Gurlinka, Partner

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	Year ended March 31, 2024		
	Parent	KMP and Relative of KMP	Other related parties
Interest expenses	76.22	-	-
Remuneration paid to KMP	-	38.43	-
Loan Taken	1,150.98	-	-
CCPS issued	950.00		
Dividend on CCPS	0.14	-	-
Loan repaid	(1,150.98)	-	-

	Year ended March 31, 2023		
	Parent	KMP and Relative of KMP	Other related parties
Interest expenses	48.62	14.65	-
Marketing expenses	-	-	2.81
Remuneration paid to KMP	-	60.31	-
Purchases	-	-	44.16
Loan Taken	770.00	4.99	-
Loan Paid	-	190.43	-

(All amounts in ₹ Lakhs; unless otherwise stated)

Balances outstanding

	As at March 31, 2024		
	Parent	KMP and Relative of KMP	Other related parties
Loan Payables	770.00	-	-
Interest Payable	5.62		-

	As at March 31, 2023		
	Parent	KMP and Relative of KMP	Other related parties
Amounts receivable from related parties	-	0.75	-
Loan Payables	770.00	-	-
Interest Payable	5.53	-	-

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Amount owed to and by related parties are unsecured and settlement occurs in cash. ***There have been no guarantees received or provided for any related party receivables or payables.*** For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of Key Managerial Personnel (KMP) of the Company

	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits	38.43	60.31
Total	**38.43**	**60.31**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key managerial personnel.

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Pratyaya E-Commerce Private Limited
CIN - U72900TG2014PTC096782
Notes to the financial statements for year ended March 31, 2024
(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE - 32
FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2024 are as follows:

As at March 31, 2024

Amount in ₹

	FVTPL	FVTOCI	Amortised cost*	Total carrying	Level 1	Fair value Level 2	Level 3
Financial assets							
Trade receivables (Refer Note - 7)	-	-	42.41	42.41	-	-	-
Cash and cash equivalents (Refer Note - 8)	-	-	184.50	184.50	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 9)	-	-	4.00	4.00	-	-	-
Other financial assets (Refer Notes - 10)	-	-	15.86	15.86	-	-	-
Total	-	-	**246.77**	**246.77**	-	-	-
Financial liabilities							
Current borrowings (Refer Note - 15)	-	-	780.00	780.00	-	-	-
Trade payables (Refer Note - 16)	-	-	1,261.14	1,261.14	-	-	-
Other financial liabilities (Refer Notes - 17)	-	-	980.30	980.30	-	-	-
Total	-	-	**3,021.44**	**3,021.44**	-	-	-

* Carrying value of financial instruments measured at amortised cost equals to the fair value.

The carrying value and fair value of financial instruments by categories as at March 31, 2023 are as follows:

As at March 31, 2023

₹ in Lakhs

	FVTPL	FVTOCI	Amortised cost*	Total carrying	Level 1	Fair value Level 2	Level 3
Financial assets							
Trade receivables (Refer Note - 7)	-	-	83.55	83.55	-	-	-
Cash and cash equivalents (Refer Note - 8)	-	-	55.52	55.52	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 9)	-	-	4.00	4.00	-	-	-
Other financial assets (Refer Notes - 10)	-	-	15.62	15.62	-	-	-
Total	-	-	**158.69**	**158.69**	-	-	-
Financial liabilities							
Current borrowings (Refer Note - 15)	-	-	991.42	991.42	-	-	-
Trade payables (Refer Note - 16)	-	-	440.81	440.81	-	-	-
Other financial liabilities (Refer Notes - 17)	-	-	7.48	7.48	-	-	-
Total	-	-	**1,439.71**	**1,439.71**	-	-	-

* Carrying value of financial instruments measured at amortised cost equals to the fair value.

Key inputs for level 1 fair valuation techniques

Quoted Investment: Valuation has been done based on market value of the investment i.e. fair value (level 1)

(All amounts in ₹ Lakhs; unless otherwise stated)

B. Risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt, derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company does not have an exposure to the risk of changes in market interest rates since debt obligations are at fixed interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings taken at floating rates. With all other variables held constant, the Company's profit/ (loss) before tax is affected through the impact on floating rate borrowings, as follows:

	As at March 31, 2024		As at March 31, 2023	
Basis points (%)	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (decrease) on loss before tax				
₹	3.90	(3.90)	4.96	(4.96)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in the prior years.

Foreign currency sensitivity

The Company does not have exposure to foreign currency changes during the year ended 31st March 2024 and 31st March 2023

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Company periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The Company only deals with parties which has good credit rating given by external rating agencies or based on the Company's internal assessment.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable dues where recoveries are made, these are recognised as income in the Statement of Profit and Loss.

The Company is exposed to credit risk from its **operating activities (primarily trade receivables and security deposits).**

(All amounts in ₹ Lakhs; unless otherwise stated)

The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2024 and March 31, 2023 is the carrying amount as provided in Note - 7.

c) Liquidity risk

The Company monitors its risk of shortage of funds. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares and commercial papers. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to various sources of funding.

The below tables summarises the maturity profile of the Company's financial liabilities based on contractual payments.

As at March 31, 2024

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	780.00	-	-	780.00
Other financial liabilities	980.30	-	-	980.30
Trade payables	1,261.14	-	-	1,261.14
Total	**3,021.44**	**-**	**-**	**3,021.44**

As at March 31, 2023

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	991.42	-	-	991.42
Other financial liabilities	7.48	-	-	7.48
Trade payables	440.81	-	-	440.81
Total	**1,439.71**	**-**	**-**	**1,439.71**

(This space has been left blank intentionally)

(All amounts in ₹ Lakhs; unless otherwise stated)

NOTE - 33
CAPITAL MANAGEMENT

The Company's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The policy of the Company is to borrow funds through banks/ financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.

The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

The following table summarises the capital of the Company (debts excludes lease liabilities):

	As at March 31, 2024	As at March 31, 2023
Short-term debts (including current maturities of long-term borrowings)	780.00	991.42
Total borrowings	**780.00**	**991.42**
Equity	(1,316.69)	(553.04)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings.

During the year, the Company has not defaulted on any loans payable, and there have been no breach of any financial covenants attached to the borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

NOTE - 34
RATIO DISCLOSURES

	As at March 31, 2024	As at March 31, 2023	% Change	Reasons for variance more than 25%
Current ratio (times)[1]	0.44	0.53	16.14%	Increase in current assets as compared to the liabilities have resulted in higher current ratio
Debt equity ratio (times)[2]	(0.45)	(1.69)	73.34%	Decrease in debt during the year has resulted in change
Debt service coverage ratio (times)[3]	(8.34)	(2.21)	-277.29%	Increase in Loss before interest and tax and reduction in principal repayments compared to previous year
Return On Equity (%)[4]	-81%	-90%	9.08%	Increase in losses during the year
Inventory turnover (times)[5]	7.76	5.61	-38.32%	Increase in Revenue from Operations for the year & higher average inventory has resulted in the variance
Debtors turnover (times)[6]	72.16	23.65	-205.11%	Increase in Revenue from Operations for the year has resulted in higher debtor turnover ratio
Trade Payables turnover (times)[7]	2.84	2.84	-0.24%	NA
Net capital turnover (times)[8]	(3.74)	(3.49)	-7.19%	NA
Net profit margin (%)[9]	-17%	-32%	47.36%	Increase in revenue during the year as compared to losses from the previous year
Return On Average Capital Employed (%)[10]	-112%	-145%	22.55%	Increase in losses during the year
Return On Investment (%)[11]	-66%	-110%	39.37%	Increase in losses during the year

Ratios have been computed as follows:

1. Current ratio = Current Assets / Current Liabilities (excluding Lease Liabilities accounted as per Ind AS 116)
2. Debt equity ratio = Debt / Equity

Debt = Borrowings (excluding Lease Liabilities accounted as per Ind AS 116) - Cash and Bank Balance (includes fixed deposits) - Liquid Investments

Equity = Equity share capital + Other equity (excluding Ind AS 116)

3. Debt service coverage ratio = Earnings before interest* and tax / [Finance cost* + Principal repayment of non-current borrowings (netted off to the extent of non-current borrowings availed during the same period for the repayments)]
4. Return on equity ratio = Profit after tax / Average of opening and closing Net Worth
5. Inventory turnover = Revenue from Operations for the period / Average of opening and closing Inventories
6. Debtors turnover = Revenue from Operations for the period / Average of opening and closing Trade Receivables
7. Trade payables turnover = Total Purchases / Average of opening and closing Trade Payables
8. Net capital turnover = Revenue from Operations for the period / Average of opening and closing Working Capital
9. Net profit margin = Profit After Tax / Revenue from Operations
10. Return on Average Capital Employed = Earnings before interest and tax / Average of opening and closing Capital Employed
11. Return on Investment = Earnings before interest and tax / Average of opening and closing Total Assets

* Finance cost/ interest comprises of Interest expense on borrowings and excludes interest expense on lease liabilities and interest charge on fair value of financial instruments.

NOTE - 35

SEGMENT INFORMATION

Based on the "management approach", as defined under Ind AS 108 - Operating segments, the operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The board of directors have been identified as the CODM. The CODM has evaluated the performance of the Company based on single operative segment for the purpose of allocation resources and evaluating financial performance. The Company is domiciled in India and most of its revenue comes from India. There are no assets held by the Company outside India.

NOTE - 36

ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(i) Details Of Benami Property Held

No proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.

(ii) Compliance With Number Of Layers Of Companies

The Company has complied with the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017.

(iii) Relationship With Struck Off Companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) Borrowings Secured Against Current Assets

The Company has borrowings which are secured against current assets. Please refer note 15 for the same

(v) Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) Compliance With Approved Scheme(S) Of Arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation Of Borrowed Funds And Share Premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details Of Crypto Currency Or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation Of Property Plant And Equipment (Including Right-Of-Use Assets) And Intangible Assets

The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) and Intangible assets during the current or previous year. The Company did not have any Investment Property during the current or previous year.

(xi) Registration Of Charges Or Satisfaction With Registrar Of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

NOTE - 37
PREVIOUS YEAR FIGURES

Balances of certain assets and liabilities as at the previous year ended March 31, 2023 have been regrouped or reclassified, where necessary, to comply with Division II of Schedule III. Such reclassifications did not have a material impact on the financial statements.

As per our report of even date
For S.R. Garimella & Co.
Chartered Accountants

Sai Sandeep Garimella D P
Partner
Membership No.: 227200

Place: Hyderabad
Date : May 15, 2024

S.R. GARIMELLA & CO. # 48-11/3-6/6, Currency Nagar, VIJAYAWADA-8. FRN: 000891S Chartered Accountants

For and on behalf of the Board of Directors of
Pratyaya E-Commerce Private Limited

Prashant Sharma
(Director)
(DIN: 10478931)

Place: Bengaluru
Date : May 15, 2024

G. Bala Satish

G Bala Satish
(Director)
(DIN: 07013884)

Place: Bengaluru
Date : May 15, 2024

Pratyaya E-Commerce Pvt. Ltd.