ZYWIE Ventures Private Limited

Report of Board of Directors

BOARD OF DIRECTORS	DESIGNATION	AUDITORS	REGISTERED OFFICE
Mihir Gadani (DIN: 06436118) **Aarti Gill** (DIN: 06625860) **Madhusudhan Rao Rupanagudi** **Kedar Lele**	Director Director Nominee Director Nominee Director	M/s. B S R & Co. LLP, Chartered Accountants.	Ground Floor, Plot No. 57, Industrial Area Phase I Chandigarh - 160002. CIN - U74900CH2013PTC034657

To the Members,

Your Directors are pleased to present the 10th Annual Report of the Company along with Audited Financial Statements for the financial year ended 31st March, 2023.

STANDALONE FINANCIAL RESULTS

(₹ in lakhs)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from Operations	10,007.50	12,347.73
Profit/(Loss) before taxation	5,521.05	(6,260.38)
Profit/(Loss) for the year	5,896.60	(6,214.36)
Profit and Loss Account balance brought forward from previous year	(21,364.01)	(15,150.53)
Profit and Loss Account balance carried forward	(15,472.45)	(21,364.01)

CONSOLIDATED FINANCIAL RESULTS

(₹ in lakhs)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from Operations	9.932.23	12,348.07
Profit/(Loss) before taxation	5,455.07	(6,260.35)
Profit/(Loss) for the year	5,830.69	(6,214.35)
Profit and Loss Account balance brought forward from previous year	(21,364.28)	(15,150.53)
Profit and Loss Account balance carried forward	(15,538.63)	(21,364.28)

OPERATIONAL REVIEW

The Company operates its business under brand Oziva, OZiva is a well-known health and wellness brand that offers a range of nutritional supplements and wellness products. Founded in 2016, OZiva aims to provide effective and scientifically backed solutions to support individuals in their journey towards a healthier and more active lifestyle.

The brand's product line includes supplements designed to address specific health goals such as weight management, muscle building, skincare, and overall well-being. OZiva places a strong emphasis on using natural and clean ingredients, and their products are free from artificial sweeteners, preservatives, and harmful chemicals. They prioritize the use of high-quality plant-based ingredients to create their formulations, making their products suitable for individuals following various dietary preferences, including vegan and vegetarian diets.

The Company has also expanded the range of its product line to include Cosmetics and Beauty Products. OZiva, known for its expertise in health and wellness, has also ventured into the beauty industry with a line of beauty products designed to support skin health and enhance natural beauty. Their beauty range focuses on providing comprehensive solutions that address various skin concerns while promoting overall well-being.

OZiva's beauty products are formulated using a blend of natural and clean ingredients that are carefully selected for their skin-loving properties. These products are free from harmful chemicals, parabens, sulfates, and artificial fragrances, making them suitable for individuals with sensitive skin.

Considering the diverse product line and the Oziva's market size, in January 2023, the Hindustan Unilever Limited (HUL) a the leading FMCG company has acquired the majority stake in the Company and the Company became subsidiary company of Hindustan Unilever Limited.

DIVIDEND

The Directors did not recommend any dividend for the year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

The Company has transferred net profit of ₹ 5,896.60 lakhs for financial year 2022-23 to Surplus of Profit & Loss Account.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

COMMENCEMENT OF ANY NEW BUSINESS

During the financial year under review no new business commenced by the company.

Report of Board of Directors

MATERIAL CHANGES AND COMMITMENTS

There has been no revision of the financial statement or director's report during Financial Year 2022-23 for any of the three preceding financial year.

DETAILS OF REVISION OF FINANCIAL STATEMENT OR ANNUAL REPORT

No revision of the financial statement or Annual report has been revised during Financial Year 2022-23 for any of the three Preceding financial year.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

As on March 31, 2023, the Company has wholly owned subsidiary Company Zenherb Labs Private Limited where the Company holds 100% shares.

Snapshot of performance of the subsidiary during the year in as under:

(1) Subsidiary Company: Zenherb Labs Private Limited

(₹ in lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from Operations	93.72	1.69
Other Income	-	-
Total Income	**93.72**	**1.69**
Less: Total Expenses	131.84	1.62
Exceptional Items	-	-
Profit/(Loss) before Taxation	(38.12)	0.07
Less: Tax Expenses	0.03	0.02
Profit/(Loss) after Taxation	(38.15)	0.05
Earnings Per equity share		
Basic Diluted	(381.48)	0.50
Nominal Value of Shares	10/-	10/-

THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of your Company is a good and diverse mix of Executive and Non-Executive Nominee Directors where Mr. Mihir Gadani and Ms. Aarti Gill are executive Directors and Mr. Madhusudhan Rao Rupanagudi and Mr. Kedar Lele are Nominee Directors, both representing the Hindustan Unilever Limited on the Board of Company.

During the year, Mr. Aashish Venkataramani, the Nominee Director has resigned from the board with effect from January 10, 2023.

Mr. Madhusudhan Rao Rupanagudi and Mr. Kedar Lele were appointed on Board as Nominee Directors with effect from January 10, 2023.

The Company is not required to appoint Key Managerial Personnel as required under section 203 of the Companies Act, 2013.

Except as mentioned above, there was no change in the Board of Directors and Key Managerial Personnel of the Company during the financial year under review.

The Company became subsidiary of Hindustan Unilever Limited (HUL), a listed public limited company, with effect from January 10, 2023, thereby making the Company a deemed public company as per the provisions of the Companies Act, 2013. Due to change of status as deemed public company the applicability of Section 149 of the Companies Act, 2013 along with Rule 4 and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 which states about the appointment of Independent directors became applicable to the Company. The Company is considering the appointment of Independent Directors on its Board in upcoming Board meeting to comply with the requirements of the Act.

BOARD MEETINGS

The Board of Directors meets at regular intervals to discuss and decide on Company's business operations, policies and strategy apart from other Board business. The Board Meetings are pre-scheduled and a tentative calendar of each of the Board Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed at the subsequent Board Meeting.

The notice of Board Meetings is given well in advance to all the Directors. Usually, meetings of the Board and Committees are held in Mumbai. The agenda is circulated a week prior to the date of the meeting except in case of urgency. The Agenda for the Board Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the financial year ended 31st March, 2023, twelve Board Meetings were held on 29th June, 2022; 27th August, 2022; 30th September, 2022; 15th October, 2022; 07th December, 2022; 20th December, 2022; 23rd December, 2022; 26th December, 2022; 28th December, 2022; 06th January, 2023 (i); 06th January, 2023 (ii); 10th January, 2023. The interval between any two meetings was well within the maximum allowed gap of 120 days.

COMMITTEES OF THE BOARD

Pursuant to change in status of the Company to a deemed public company, the provisions Section(s) 177 and 178 of the Companies Act 2013 relating to constitution of Audit Committee and Nomination and Remuneration Committee are applicable to the Company. The Board of Directors will be considering the matter(s) relating to constitution of Audit Committee and Nomination and Remuneration Committee at their upcoming meeting.

BOARD MEMBERSHIP CRITERIA

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a Public Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with requirements of the law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

REWARD POLICY

The Reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and reinforces the performance culture of the Company. This philosophy is set forth into practice by various policies governing the different elements of total reward. The intent of all these policies is to ensure that the principles of Reward philosophy are followed in entirety, thereby facilitating the Company to recruit and retain the best talent. The ultimate objective is to gain competitive advantage by creating a reward proposition that inspires employees to deliver Company's promise to consumers and achieve superior operational results.

The guiding principles for Company's reward policies / practices are as follows:

1. **Open, Fair and Consistent:** increase transparency and ensure fairness and consistency in reward framework;
2. **Insight and Engagement:** make reward truly relevant to the employees by using leading edge tools that help the Company 'hear' how employees feel about their reward;
3. **Innovation:** continuously improve Company's reward through innovations based on insight, analytics and Unilever's expertise;
4. **Simplicity, Speed and Accuracy:** simplify reward plans and processes and deliver the information employees need quickly, clearly and efficiently;
5. **Business Results:** Company's business results are the ultimate test of whether reward solutions are effective and sustainable.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

During financial year under review, the Company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitution of Corporate Social Responsibility Committee.

VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES

During financial under review the Company does not meet the criteria specified under section 177 (9) of the Companies Act 2013 so there is no requirement to form a vigil mechanism or whistle blower policy.

COMMITTEE FOR PREVENTION OF SEXUAL HARASSMENT

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, your Company has constituted Internal Committees (IC). Recently, we expanded the scope of our POSH Policy to make it more inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders including employees who identify themselves with LGBTQ+ community.

While maintaining the highest governance norms, the Company has appointed external independent persons who have prior experience of in the areas of women empowerment and prevention of sexual harassment, as Chairpersons of each of the Intern Committees. During the year, one complaint with allegations of sexual harassment was received by the Company and it was investigated and resolved as per the provisions of the Prohibition of Sexual Harassment Act (POSH). To build awareness in this area, the Company has been conducting induction / refresher programmes in the organisation on a continuous basis. During the year, your Company organised offline training sessions for all blue collared employees across the Company which included POSH as one of the topics of training.

Report of Board of Directors

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

i. in the preparation of the annual accounts, the applicable Indian accounting standards have been followed and that no material departures have been made from the same;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis; and

v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

PERSONNEL

Disclosure with respect to remuneration of employees as per Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2023 is appended as an Annexure to this Annual Report.

ANNUAL EVALUATION

Provisions of section 134 sub-section 3(p) read with Sub-rule (4) of Rule 8 of the Companies (Accounts) Rules, 2014 of Companies Act 2013 related to evaluation of Board is not applicable to the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details relating to Loans, Guarantees and Investments are provided in the Notes to Financial Statements.

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered during the year were in the Ordinary Course of Business and on Arm's Length basis. In terms of Section 134(3)(h) of the Companies Act, 2013, the details of contracts or arrangements entered into with Related Parties are provided in Form AOC-2 appended as an Annexure to this Annual Report.

DEPOSITS

The Company has not accepted any public deposits under Chapter V of Companies Act, 2013 during the financial year 2021-22.

ANNUAL RETURN

The Company has published the Annual Return on its website which can be accessed at www.oziva.in.

INTERNAL FINANCIAL CONTROLS

The Board has adopted the procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting record, and the timely preparation of reliable financial disclosures.

RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

REGULATORY ACTION

There are no significant and material orders passed by the regulators or courts or Tribunals that could impact the going concern status and operations of the company in future.

DECLARATIONS AND CONFIRMATIONS

The Company has adequate internal financial control system in place with reference to the Financial Statements which operates effectively. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal. Hence, no separate Risk Management Policy is formulated.

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

The Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively issued by Institute of Company Secretaries of India.

SECRETARIAL AUDIT

The Secretarial Audit is not applicable on the company as it is not covered under the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

AUDITORS

M/s. B S R & Co. LLP, Chartered Accountants (Firm's Registration No: 101248W/W-100022) were appointed as Statutory Auditors of your Company till conclusion of financial year 2022-23 and are proposed to be reappointed for further term of five years.

The Report given by the Auditors on the financial statements of the Company is part of this Annual Report.

The Auditor has made qualification with respect to the grant of ESOPs to the employee belonging to promoter group for which the company would like to represent that said granted ESOPs have not been exercised as of year end and the Company is in the process of evaluating the corrective course of action.

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

COST RECORDS

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintenance is not applicable on the company.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

No such process initiated during the period under review under the Insolvency and Bankruptcy Code, 2016 (IBC)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is given below:

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

Particulars	Remarks
(A) CONSERVATION OF ENERGY:	
• the steps taken or impact on conservation of energy;	The Corporation is taking due care for using electricity in the office and its branches. The Corporation usually takes care for optimum utilization of energy. No capital investment on energy Conservation equipment made during the financial year.
• the steps taken by the company for utilizing alternate sources of energy;	
• the capital investment on energy conservation equipment's;	
(B) TECHNOLOGY ABSORPTION:	
• the efforts made towards technology absorption;	NA
• the benefits derived like product improvement, cost reduction, product development or import substitution;	NA
• in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
(a) the details of technology imported;	NA
(b) the year of import;	NA
(c) whether the technology been fully absorbed;	NA
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable since 5 years period is over	NA
• the expenditure incurred on Research and Development	NA
(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:	
• The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	Foreign Exchange Earnings: ₹ 23.68 lakh Foreign Exchange Outgo: ₹ 84.17 lakh

Report of Board of Directors

SAFETY, HEALTH, ENVIRONMENT AND QUALITY

The Company is committed to excellence in safety, health, environment and quality management. It accords the highest priority to the health and safety of its employees, customers and other stakeholders as well as to the protection of the environment. The management of your Company is focused on continuous improvement in these areas which are fundamental to the sustainable growth of the Company.

ACKNOWLEDGEMENTS

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board places on record its appreciation for the support and co-operation, your company has been receiving from its Investors, Suppliers, Retailers, Dealers & Distributors and others associated with the Company. The Directors also take this opportunity to thank all Clients, Vendors, Banks, Government and Regulatory Authorities for their continued support.

On behalf of the Board of Directors of Zywie Ventures Private Limited

	Mihir Gadani	**Aarti Gill**
	Director	Director
Mumbai, June 02, 2023	DIN: 06436118	DIN: 06625860

Annexure to the Report of Board of Directors

Statement of Disclosure of remuneration under Section 197 of Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(₹ in lakhs)

Name	Age	Qualification	Date of employment	Designation / Nature of duties	Remuneration received		Experience	Last employment
					Gross	Net		
Mr. Mihir Gadani	38	M. Tech (Bioinformatics)	1st April, 2014	COO	59.78	34.65	NA	NA
Ms. Aarti Gill	36	B. Tech and MBA	13th August, 2013	CEO	59.78	34.65	NA	NA

- Remuneration received Gross includes salary, allowances, commission, performance linked variable pay disbursed, taxable value of perquisites and Company's contribution to provident fund. Remuneration received Net includes Gross Remuneration less income tax, profession tax and employees contribution to provident fund.
- Remuneration excludes provision for / contributions to pension, gratuity and leave encashment, special awards, payments made in respect of earlier years including those pursuant to settlements during the year, payments made under voluntary retirement schemes and stock options granted. However, contributions to pension in respect of employees who have opted for contribution defined scheme has been included.
- Nature of employment is permanent for employees.
- Other terms and conditions as per Company's Rules
- Employee is not related to any Director of the Company.
- None of the employees is covered under Rule 5(3)(viii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Section 197 of the Companies Act, 2013.

On behalf of the Board of Directors of Zywie Ventures Private Limited

Mihir Gadani
Director
DIN: 06436118

Aarti Gill
Director
DIN: 06625860

Mumbai, June 02, 2023

Annexure to the Report of Board of Directors

Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

Form AOC–1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Subsidiaries, Associate Companies and Joint Ventures)

PART A: SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Zenherb Labs Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹
4.	Share capital	1.00
5.	Reserves & surplus	(38.38)
6.	Total assets	98.91
7.	Total Liabilities	98.91
8.	Investments	-
9.	Turnover	93.72
10.	Profit/ (Loss) before taxation	(38.12)
11.	Provision for taxation	0.03
12.	Profit / (Loss) after taxation	(38.15)
13.	Proposed Dividend	-
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

On behalf of the Board of Directors of Zywie Ventures Private Limited

Mihir Gadani
Director
DIN: 06436118

Aarti Gill
Director
DIN: 06625860

Mumbai, June 02, 2023

Annexure to the Report of Board of Directors

Particulars of contracts/arrangements with Related Parties

Form AOC–2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis – N.A.
2. Details of material contracts or arrangements or transactions at arm's length basis

(₹ in lakhs)

Name of Related Party	Nature of relationship	Nature of contract*	Amount
Zenherb Labs Private Limited	Subsidiary Company	Sale of Finished Gods	138.99

*All transactions are in the Ordinary Course of Business, at Arm's Length basis and are of on-going nature. All transactions are placed before the Audit Committee of the Company. The terms of these transactions are governed by the respective agreements/terms of purchase.

On behalf of the Board of Directors of Zywie Ventures Private Limited

Mihir Gadani
Director
DIN: 06436118

Aarti Gill
Director
DIN: 06625860

Mumbai, June 02, 2023

Independent Auditor's Report

To the Members of Zywie Ventures Private Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the standalone financial statements of Zywie Ventures Private Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended 31 March 2023, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

As fully explained in note 42 to the standalone financial statements for the year ended 31 March 2023, during the year, the Company has granted 1,000 employee stock options of fair value of Rs. 196.66 lakhs on grant date (01 April 2022) to an employee belonging to the promoter group under the Company's Employee Stock Option Plan, 2021 (ESOP) which have not been exercised as at the year-end. The said ESOPs granted were not in compliance with the provisions of Section 62(1) read with 'Rule 12 - Issue of Employee Stock Options' of the Companies (Share Capital and Debentures) Rules, 2014 and the ESOP Policy of the Company. We are unable to comment on the impact of the above non-compliance on the standalone financial statements of the Company as at and for the year ended 31 March 2023.

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate audit evidence on the implications of non-compliance with the provisions of the Act on the standalone financial statements. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

a. The standalone financial statements of the Company for the year ended 31st March, 2022 were audited by the predecessor auditor who had expressed an unmodified opinion on 30th September, 2022.

b. The standalone financial statements of the Company for the year ended 31st March, 2022 and the transition date opening balance sheet as at 01st April, 2021 included in these standalone financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the years ended 31st March, 2022 and 31st March, 2021 dated 30th September, 2022 and 06 September 2021 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

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

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

a. We have sought and, except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. Further in absence of confirmation from the relevant service provider, we are unable to comment if the back-up of the books of account and other relevant books and papers in electronic mode has been kept on servers physically located in India on a daily basis during 01st December, 2022 till 31st March, 2023.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

g. the qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph, paragraph 2A (b) above and Basis for Qualified Opinion in Annexure B with respect to adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Company.

h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

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

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

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

d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 14 (3) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 14 (3) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

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

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

In our opinion and according to the information and explanations given to us, the Company was a private company till 09th January, 2023. Accordingly, the provisions of Section 197 of the Act were not applicable till that period. The remuneration paid by the Company to its directors during the current period from 10th January, 2023 till 31st March, 2023 is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 23105149BGYFRH8111

Place: Mumbai
Date: 3rd June, 2023

Annexure A

Independent Auditor's Report on the Standalone Financial Statements of Zywie Ventures Private Limited for the year ended 31st March, 2023

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

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

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

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

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

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

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, from banks or financial institutions on the basis of security of current assets. The Company is not required to file any returns or statements with such banks or financial institutions.

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

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

(₹ in lakhs)

Description of property	Loans
Aggregate amount during the year Loans to employee*	1.70
Balance outstanding as at balance sheet date 31 March 2023 Loans to employee*	2.25

*As per the Companies Act, 2013.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of unsecured loans to the other parties (employees) provided during the year are prima facie, not prejudicial to the interest of the Company. The Company has not made any investments, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of interest free unsecured loans given to other parties (employees), in our opinion the repayment of principal has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

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

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

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

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

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable, except as mentioned below:

(₹ in lakhs)

Name of the statute	Nature of the dues	Amount	Period to which the amount relates
Finance Act, 1994	Service Tax	0.52	FY 2015-16
Value Added Tax (Maharashtra State)	Value Added Tax	0.05	FY 2017-18

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

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

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

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

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

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

Annexure A

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

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

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

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of equity shares during the year. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 and 62 of the Act. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not make preferential allotment or private placement of fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company to that extent.

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

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

(c) As represented to us by the management, the Company is not required to have the whistle blower policy. Accordingly, clause 3(xi)(c) of the Order is not applicable.

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

(xiii) The Company is not a listed public company or a company covered under rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

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

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

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

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

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has incurred cash losses of ₹ 3,348.01 lakhs in the current financial year and ₹ 5,940.79 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year ended 31st March, 2023. However, the erstwhile statutory auditors have resigned on 18th April, 2023 and we have duly taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) T he requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

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

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 23105149BGYFRH8111

Place: Mumbai
Date: 03rd June, 2023

Annexure B

To the Independent Auditor's Report on the standalone financial statements of Zywie Ventures Private Limited for the year ended 31st March, 2023

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

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

Qualified Opinion

We have audited the internal financial controls with reference to financial statements of Zywie Ventures Private Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements as of 31st March, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"), and except for the possible effects of the material weakness described below on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of 31st March, 2023.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended 31st March, 2023, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31st March, 2023:

The Company's internal financial controls in relation to grant of employee stock options in compliance with the applicable laws and regulations were not operating effectively which has resulted in contravention of the provisions of Section 62(1) of the Companies Act, 2013 read with 'Rule 12 - Issue of Employee Stock Options' of the Companies (Share Capital and Debentures) Rules, 2014.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 23105149BGYFRH8111

Place: Mumbai
Date: 03rd June, 2023

Standalone Balance Sheet
as at 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
ASSETS				
Non-current assets				
Property, plant and equipment	4	436.60	570.19	580.60
Intangible assets under development	5	32.65	77.06	-
Other intangible assets	5	97.62	60.58	21.72
Financial assets				
Investment in subsidiary	6	1.00	1.00	-
Other financial assets	7	497.69	395.82	51.33
Deferred tax Assets (net)	8	431.74	54.50	8.78
Other tax assets (net)	8	77.69	247.37	167.08
Other non-current assets	9	0.25	0.25	0.25
Total - Non-current assets (A)		**1,575.24**	**1,406.77**	**829.76**
Current assets				
Inventories	10	997.48	2,623.99	861.40
Financial assets				
Trade receivables	11	1,799.42	310.28	369.68
Cash and cash equivalents	12	8.77	1,478.84	8,312.62
Bank balances other than cash and cash equivalents mentioned above	13	8,182.66	7,977.66	2,888.30
Loans	14	2.25	5.25	-
Other financial assets	7	2.91	3.07	2.75
Other current assets	15	1,576.97	2,152.80	1,180.24
Total - Current assets (B)		**12,570.46**	**14,551.89**	**13,614.99**
TOTAL ASSETS [(A) + (B)]		**14,145.70**	**15,958.66**	**14,444.75**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	22.28	10.03	10.03
Instruments entirely equity in nature	16	27.08	-	-
Other equity	17	9,499.16	(21,210.43)	(15,150.53)
Total - Equity (A)		**9,548.52**	**(21,200.40)**	**(15,140.50)**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	18	-	26,015.38	25,415.38
Lease Liabilities	19	167.27	239.72	316.41
Other Financial Liabilities	20	668.02	-	-
Provisions	21	67.66	31.82	16.46
Total - Non-current liabilities (B)		**902.95**	**26,286.92**	**25,748.25**
Current liabilities				
Financial liabilities				
Borrowings	18	1,294.79	8,332.47	1,691.61
Lease Liabilities	19	143.67	138.86	127.68
Trade Payables	22			
Total outstanding dues of micro and small enterprises		634.73	265.71	231.83
Total outstanding dues of creditors other than micro and small enterprises		1,452.24	1,780.01	1,628.30
Other financial liabilities	20	33.53	131.71	67.28
Other current liabilities	23	52.35	181.64	25.09
Provisions	21	82.92	41.74	65.21
Total - Current liabilities (C)		**3,694.23**	**10,872.14**	**3,837.00**
TOTAL EQUITY AND LIABILITIES [(A) + (B) + (C)]		**14,145.70**	**15,958.66**	**14,444.75**
Basis of preparation, measurement and significant accounting policies	2			
Contingent liabilities and commitments	34			

The accompanying notes 1 to 47 are an integral part of these standalone financial statements.

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 02nd June, 2023

For and on behalf of the Board of Directors of
Zywie Ventures Private Limited
CIN: U74900CH2013PTC034657

Mihir Gadani
Director
[DIN: 06436118]

Mumbai: 02nd June, 2023

Aarti Gill
Director
[DIN: 06625860]

Mumbai: 02nd June, 2023

Standalone Statement of Profit and Loss
for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
Revenue from operations	24	10,007.50	12,347.73
Other income	25	10,012.13	397.00
Total Income		**20,019.63**	**12,744.73**
EXPENSES			
Cost of materials consumed	26	2,924.24	4,174.41
Purchase of Stock-in-trade	27	840.37	1,588.95
Changes in inventories of finished goods and stock in trade	28	1,028.43	(1,212.93)
Employee benefit expense	29	2,652.46	1,372.79
Finance costs	30	718.64	272.20
Depreciation and amortisation expense	31	201.16	152.78
Other expenses	32	6,133.28	12,656.91
Total Expenses		**14,498.58**	**19,005.11**
Profit/(loss) before tax		**5,521.05**	**(6,260.38)**
Tax expense			
Current tax	8	-	-
Deferred tax	8	(375.55)	(46.02)
Profit/(loss) for the year (A)		**5,896.60**	**(6,214.36)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit and loss account			
Re-measurement loss/(gains) on defined benefit plans		6.73	(1.18)
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Re-measurement loss/(gains) on defined benefit plans	8	(1.69)	0.30
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (B)		**5.04**	**(0.88)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		**5,891.56**	**(6,213.48)**
Earnings per equity share (in ₹) of face value of ₹ 10 each	33		
Basic		3,996.20	(5,250.52)
Diluted		(2,394.57)	(5,250.52)

The accompanying notes 1 to 47 are an integral part of these standalone financial statements.

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 02nd June, 2023

For and on behalf of the Board of Directors of
Zywie Ventures Private Limited
CIN: U74900CH2013PTC034657

Mihir Gadani
Director
[DIN: 06436118]

Mumbai: 02nd June, 2023

Aarti Gill
Director
[DIN: 06625860]

Mumbai: 02nd June, 2023

Standalone Statement of Changes in Equity

for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Numbers	Amount
At 1st April, 2022	**100,329**	**10.03**
Changes in equity share capital due to prior period errors	-	-
Restated balance at 1st April, 2022	**100,329**	**10.03**
Changes in equity share capital during the year	122,512	12.25
At 31st March, 2023	**222,841**	**22.28**
At 1st April, 2021	**100,329**	**10.03**
Changes in equity share capital due to prior period errors	-	-
Restated balance at 1st April, 2021	**100,329**	**10.03**
Changes in equity share capital during the year	-	-
At 31st March, 2022	**100,329**	**10.03**

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

(i) Preference Share Capital

	Series A		Series B		Series C	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
At 1st April, 2022	**-**	**-**	**-**	**-**	**-**	**-**
Changes in equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance at 1st April, 2022	**-**	**-**	**-**	**-**	**-**	**-**
Changes in the instruments entirely equity in nature during the year (Refer note 16A) *	27,085	27.09	-	-	-	0.00
At 31st March, 2023	**27,085**	**27.09**	**-**	**-**	**-**	**-**
At 1st April, 2021	**-**	**-**	**-**	**-**	**-**	**-**
Changes in equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance at 1st April, 2021	**-**	**-**	**-**	**-**	**-**	**-**
Changes in the instruments entirely equity in nature during the year (Refer note 16A)	-	-	-	-	-	-
At 31st March, 2022	**-**	**-**	**-**	**-**	**-**	**-**

* 0.00 represents amounts that are below the rounding off norms followed by the company.

Standalone Statement of Changes in Equity

for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

C. OTHER EQUITY:

Particulars	Equity component of compound financial instruments	Reserve & Surplus			Total other equity
		Securities Premium	Employee Stock Options Outstanding Account	Retained earnings	
Balances as at 01st April, 2021 (A)				**(15,150.53)**	**(15,150.53)**
Loss for the year	-	-	-	(6,214.36)	(6,214.36)
Other comprehensive income					
Re-measurement Gain/(loss) of defined benefit plans, net of tax	-	-	-	0.88	0.88
Total comprehensive income (B)	**-**	**-**	**-**	**(6,213.48)**	**(6,213.48)**
Transaction with owners of the company					
ESOP issued during the year	-	-	153.58	-	153.58
CCPS Series C classified as compound financial instrument during the year	*	-	-	-	-
Total Transactions with the owners of the Company (C)	**-**	**-**	**153.58**	**-**	**153.58**
Balances as at 31st March, 2022 (A + B + C)	**-**	**-**	**153.58**	**(21,364.01)**	**(21,210.43)**
Balances as at 01st April, 2022 (A)	**-**	**-**	**153.58**	**(21,364.01)**	**(21,210.43)**
Profit for the year	-	-	-	5,896.60	5,896.60
Other comprehensive income					
Re-measurement Gain/(loss) of defined benefit plans, net of tax	-	-	-	(5.04)	(5.04)
Total comprehensive income (B)	**-**	**-**	**-**	**5,891.56**	**5,891.56**
Transaction with owners of the company					
Shares issued during the year at premium	-	10,230.87	-	-	10,230.87
Shares converted to from Preference shares to Equity Shares	-	23.64	-	-	23.64
Issue of bonus shares	-	(1.80)	-	-	(1.80)
Share Issue Expense	-	(1,087.82)	-	-	(1,087.82)
Share Forfeited during the year	*	-	-	-	-
Equity Share and CCPS reclassified as Equity from compound financial instrument during the year	-	15,806.72	-	-	15,806.72
Employee stock option plan reclassified from equity to cash settled	-	-	(153.58)	-	(153.58)
Total Transactions with the owners of the Company (C)	**-**	**24,971.61**	**(153.58)**	**-**	**24,818.03**
Balances as at 31st March, 2023 (A + B + C)	**-**	**24,971.61**	**-**	**(15,472.45)**	**9,499.16**

* represents amounts that are below the rounding off norms followed by the company.

The accompanying notes 1 to 47 are an integral part of these standalone financial statements.

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 02nd June, 2023

For and on behalf of the Board of Directors of
Zywie Ventures Private Limited
CIN: U74900CH2013PTC034657

Mihir Gadani
Director
[DIN: 06436118]

Mumbai: 02nd June, 2023

Aarti Gill
Director
[DIN: 06625860]

Mumbai: 02nd June, 2023

Standalone statement of Cash Flows
for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31st March, 2023	Year ended 31st March, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	5,521.05	(6,260.38)
Adjustments for:		
Depreciation and Amortisation expense	201.16	152.78
Share-based payment expense	750.43	153.58
Interest on fixed deposits with banks	(439.91)	(391.02)
Interest income on security deposits	(3.17)	(3.02)
Interest on income tax refund	(13.78)	-
(Gains) on fair value changes on financial liabilities	(9,552.70)	-
Loss on modification of leases	0.09	-
Interest expense on borrowings	576.61	187.00
Interest on lease liability	55.13	62.17
Interest expenses - others	86.90	23.03
Provision for slow and non moving inventories	20.51	-
Allowance for expected credit loss	17.11	0.70
Cash outflow from operations before working capital changes	**(2,780.57)**	**(6,075.16)**
Adjustments for:		
(Increase)/decrease in Non-Current Assets	(0.53)	1.82
(Increase)/decrease in Current Assets	(927.26)	(919.43)
(Increase)/decrease in Inventories	1,606.00	(1,762.59)
Increase/(decrease) in Non-Current Liabilities	(200.15)	15.35
Increase/(decrease) in Current Liabilities	(151.74)	384.30
Cash outflow from operating activities	**(2,454.25)**	**(8,355.71)**
Refund/(payment) of direct taxes (net)	183.46	(80.29)
Net cash flows (used in) operating activities - [A]	**(2,270.79)**	**(8,436.00)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(19.39)	(136.92)
Purchase of Intangible Asset	(25.74)	(121.38)
Investment in subsidiary	-	(1.00)
Investment in fixed deposits	-	(5,395.74)
Proceeds from fixed deposits	35.69	-
Interest Income received	101.05	354.11
Net cash flows generated from/(used in) investing activities - [B]	**91.61**	**(5,300.93)**

Standalone Statement of Cash Flows
for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31st March, 2023	Year ended 31st March, 2022
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liability	(137.94)	(127.68)
Proceeds from issue of debentures	500.00	2,000.00
Repayment of debentures	(2,500.00)	-
(Repayment) / Proceeds from short term borrowings	(41.00)	41.00
Proceeds from issue of shares	10,236.07	0.00
Share issue expenses	(1,087.82)	-
Interest and other borrowing cost paid	(643.02)	(230.53)
Net cash flows generated from financing activities - [C]	**6,326.29**	**1,682.79**
Increase / (decrease) in cash and cash equivalents (A+B+C)	**4,147.11**	**(12,054.14)**
Add: Cash and cash equivalents at the beginning of the year	(5,433.13)	6,621.01
Cash and cash equivalents at the end of the year	**(1,286.02)**	**(5,433.13)**
Components of cash and cash equivalents		
Cash on hand	3.00	0.37
Balances with banks		
- in Current accounts	5.77	1,478.47
Total Cash and cash equivalents (refer note 12)	**8.77**	**1,478.84**
Less : Secured, Bank overdrafts (refer note 18)	(1,294.79)	(6,911.97)
Cash and cash equivalents for statement of cashflow	**(1,286.02)**	**(5,433.13)**

Note:

The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) on Statement of Cash Flows notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

Changes in liabilities arising from financing activities

Particulars	01st April, 2022	Cash flows	Non-cash movement	31st March, 2023
Borrowings – Non-convertible debentures	1,979.50	(2,000.00)	20.50	-
Borrowings – Cash Credit	40.00	(40.00)	-	-
Borrowings – Related Party Loan	1.00	(1.00)	-	-
Lease Liability	378.58	(137.94)	70.30	310.94
Total	**2,399.08**	**(2,178.94)**	**90.80**	**310.94**

Particulars	01st April, 2021	Cash flows	Non-cash movement	31st March, 2022
Borrowings – Non-convertible debentures	-	2,000.00	(20.50)	1,979.50
Borrowings – Cash Credit	-	40.00	-	40.00
Borrowings – Related Party Loan	-	1.00	-	1.00
Lease Liability	444.09	(127.68)	62.17	378.58
Total	**444.09**	**1,913.32**	**41.67**	**2,399.08**

The accompanying notes 1 to 47 are an integral part of these standalone financial statements.

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 02nd June, 2023

For and on behalf of the Board of Directors of
Zywie Ventures Private Limited
CIN: U74900CH2013PTC034657

Mihir Gadani
Director
[DIN: 06436118]

Mumbai: 02nd June, 2023

Aarti Gill
Director
[DIN: 06625860]

Mumbai: 02nd June, 2023

Notes

to the financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

1. CORPORATE INFORMATION

Zywie Ventures Private Limited ("The Company" or "OZiva") was incorporated in India as a Private Limited Company under the Companies Act, 2013. The registered office of the Company is located at Ground Floor, Plot No. 57, Industrial Area Phase I, Chandigarh – 160002. The Company has become subsidiary of Hindustan Unilever Limited with effect from 10th January, 2023. Further, OZiva shall be treated as deemed public company owing to being a subsidiary of Public Limited Company.

The Company is primarily engaged in the business of manufacturing and selling of health and nutrition products under the brand name "OZiva".

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Statement of Compliance

The standalone financial statements of the entity have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Companies Act.

These standalone financial statements are approved for issue by the Company's Board of Directors on 02nd June, 2023.

These standalone financial statements for the year ended 31st March, 2023 are the first the Company has prepared under Ind AS. For all periods up to and including the year ended 31st March, 2022, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2022 and the opening Balance Sheet as at 1st April, 2021 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 3.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies adopted in the preparation of standalone financial statements are consistent for all the periods presented in the financials statement, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2021 being the 'date of transition to Ind AS'.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is

a. Expected to be realised or intended to be sold or consumed in normal operating cycle:

b. Held primarily for the purpose of trading;

c. Expected to be realised within twelve months after the reporting period; or

d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when

a. It is expected to be settled in normal operating cycle;

b. It is held primarily for the purpose of trading;

c. It is due to be settled within twelve months after the reporting period; or

d. 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.

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

The standalone financial statements are presented in Indian Rupee (INR), the functional currency of the Company. Items included in the standalone financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the standalone statement of profit and loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the standalone statement of profit and loss.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

(All amounts in ₹ lakhs, unless otherwise stated)

Foreign currency exchange differences are generally recognised in profit or loss, except foreign currency exchange differences arising from the translation of the following items which are recognised in OCI.

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective (see 3(O)(v)); and
- qualifying cash flow hedges to the extent that the hedges are effective.

The Company has decided to round off the figures to the nearest lakhs. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

The standalone financial statements of the Company for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 02 June, 2023.

(b) Measurement

The standalone financial statements have been prepared and presented under the historical cost convention, except for the following items, which are measured at fair value:

- Financial assets and financial liabilities - Compulsory Convertible Preference Shares
- Share based payments for cash settled
- Net defined benefit (asset)/liability

2.2 Key accounting estimates and judgements

The preparation of standalone financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

a. Measurement of defined benefit obligations – The liabilities of the company arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions. Refer note 37 for significant assumptions used.

b. Recognition of deferred tax assets – 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 together with future tax planning strategies. Refer Note 8 for recognition of deferred tax assets.

c. Measurement of Lease liabilities – The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgement in assessing the applicable discount rate. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates (IBR). The IBR is the rate of interest that the Company pays to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

d. Share-based payments – Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and making assumptions about them. Refer note 38 for Share based payments.

e. Compulsorily Convertible Preference Shares – To determine the fair value of compound financial instruments, management used a valuation technique in which all significant inputs were based management estimated cash flows.

2.3 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 31 March 2023, has made some amendments to Ind AS. These amendments inter alia, include:

(i) Amendments to Ind AS 1 Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.

(ii) Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.

(iii) Amendments Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Notes
to standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

2.4 Summary of Significant Accounting Policies

The significant accounting policies used in preparation of the standalone financial statements have been included in the relevant notes to the standalone financial statements.

3. FIRST TIME ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs for the year ended 31st March, 2023, with a transition date of 1st April, 2021. For all periods up to and including the year ended 31st March, 2022, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2023, together with the comparative information as at and for the year ended 31st March, 2022 and the opening Ind AS Balance Sheet as at 1st April, 2021 'the date of transition to Ind AS'.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustment made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2021 and the financial statements as at and for the year ended 31st March, 2022.

A. Optional Exemptions from retrospective application

a. Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the previous GAAP carrying amount i.e. 31st March 2021 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April 2021.

b. Leases

The Company has applied the exemption pertaining to evaluation of whether an arrangement contains a Lease and has assessed all arrangements based upon the conditions in place as at the date of transition.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 April 2021. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial statement immediately before 1st April, 2021.

c. Investment in subsidiaries

The Company has elected to measure its investments in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

B. Mandatory Exceptions from retrospective application

a. Estimates:

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

b. Classification and measurement of financial assets

Ind AS 101 requires entity to assess the classification and measurement of financial assets on the basis of facts and circumstances which existed at the date of transition to Ind AS. Accordingly classification and measurement of financial assets have been made on the basis of facts and circumstances that exist at the date of transition to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Equity as at 1st April, 2021 and as at 31st March, 2022

II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2022

III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2022

Previous GAAP figures have been reclassified/ regrouped wherever necessary to conform with financial statements prepared under Ind AS.

(All amounts in ₹ lakhs, unless otherwise stated)

I. Reconciliation of Equity as at 1st April, 2021 and as at 31st March, 2022:

Particulars	Notes	As at 1st April 2021 Previous GAAP	Effect of transition to Ind AS	Ind AS Balance sheet	As at 31st March, 2022 Previous GAAP	Effect of transition to Ind AS	Balance sheet
ASSETS							
Non-current assets							
Property, plant and equipment	[c] [d]	122.00	458.60	580.60	213.77	356.42	570.19
Intangible assets		21.72	-	21.72	60.58	-	60.58
Intangible assets under development		-	-	-	77.06	-	77.06
Investments in subsidiary		-	-	-	1.00	-	1.00
Financial assets		-	-		-	-	
Other financial assets	[d]	65.94	(14.61)	51.33	407.41	(11.59)	395.82
Deferred tax asset (net)	[b] [c] [d]	9.72	(0.94)	8.78	11.83	42.67	54.50
Other tax assets (net)		167.08	-	167.08	247.37	-	247.37
Other non-current assets		0.25		0.25	0.25		0.25
Total non-current assets		**386.71**	**443.05**	**829.76**	**1,019.27**	**387.50**	**1,406.77**
Current assets							
Inventories	[e]	861.40	-	861.40	2,607.49	16.51	2,623.99
Financial assets		-	-		-	-	
Trade receivables	[e]	369.68	-	369.68	357.47	(47.19)	310.28
Cash and cash equivalents		8,312.62	-	8,312.62	1,478.84	-	1,478.84
Bank balances other than cash and cash equivalents mentioned above		2,888.30	-	2,888.30	7,977.66	-	7,977.66
Loans		-	-	-	5.25	-	5.25
Other financial assets		2.75	-	2.75	3.07	-	3.07
Other current assets		1,180.24	-	1,180.24	2,152.80	-	2,152.80
Total current assets		**13,614.99**	**-**	**13,614.99**	**14,582.57**	**(30.69)**	**14,551.89**
Total assets		**14,001.70**	**443.05**	**14,444.75**	**15,601.84**	**356.82**	**15,958.66**
Equity and liabilities							
Equity							
Equity share capital	[a]	66.00	(55.97)	10.03	66.00	(55.97)	10.03
Other equity	[a] [b] [c] [d] [e]	10,206.10	(25,356.63)	(15,150.53)	4,132.45	(25,342.88)	(21,210.43)
Total equity		**10,272.10**	**(25,412.60)**	**(15,140.50)**	**4,198.45**	**(25,398.85)**	**(21,200.40)**
Non-current liabilities							
Financial liabilities		-			-		
Borrowings	[a]	-	25,415.38	25,415.38	600.00	25,415.38	26,015.38
Lease liabilities	[c]	3.82	312.59	316.41	17.79	221.93	239.72
Provisions		16.46	-	16.46	31.82	-	31.82
Total non-current liabilities		**20.28**	**25,727.97**	**25,748.25**	**649.61**	**25,637.31**	**26,286.92**
Current liabilities:							
Financial Liabilities							
Borrowings	[a]	1,691.61	-	1,691.61	8,352.97	(20.50)	8,332.47
Lease liabilities	[c]	-	127.68	127.68	-	138.86	138.86
Trade payables					-	-	
– Total outstanding dues of micro enterprises and small enterprises		231.83	-	231.83	265.71	-	265.71
– Total outstanding dues of trade payables other than micro enterprises and small enterprises		1,628.30	-	1,628.30	1,780.01	-	1,780.01
Other current financial liabilities		67.28	-	67.28	131.71	-	131.71
Provisions		65.21	-	65.21	41.74	-	41.74
Other current liabilities		25.09	-	25.09	181.64	-	181.64
Total current liabilities		**3,709.32**	**127.68**	**3,837.00**	**10,753.78**	**118.36**	**10,872.14**
Total liabilities		**3,729.60**	**25,855.65**	**29,585.25**	**11,403.39**	**25,755.67**	**37,159.06**
Total Equity and Liabilities		**14,001.70**	**443.05**	**14,444.75**	**15,601.84**	**356.82**	**15,958.66**

Note: Numbers under IGAAP have been regrouped/reclassified, wherever necessary, to conform with the classification under Ind AS in current year.

Notes

to standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2022

		For the Year ended 31st March, 2022		
	Notes	Previous GAAP	Effect of transition to	Ind AS Balance sheet
Income				
Revenue from operations	[e]	12,471.35	(123.62)	12,347.73
Other income	[d]	393.98	3.02	397.00
Total Income		**12,865.33**	**(120.60)**	**12,744.73**
Expenses				
Cost of materials consumed		4,174.41	-	4,174.41
Purchase of Stock-in-trade		1,588.95	-	1,588.95
Changes in inventories of finished goods	[e]	(1,196.42)	(16.51)	(1,212.93)
Employee benefit expense	[b]	1,218.03	154.76	1,372.79
Finance costs	[a] [c]	230.53	41.67	272.20
Depreciation and amortization expense	[c] [d]	50.59	102.19	152.78
Other expenses	[c] [e]	12,875.00	(218.09)	12,656.91
Total Expenses		**18,941.09**	**64.02**	**19,005.11**
Profit before exceptional item and tax		**(6,075.76)**	**(184.62)**	**(6,260.38)**
Exceptional Items		-	-	-
Profit before tax		(6,075.76)	(184.62)	(6,260.38)
Tax expense / (benefit) :				
– Current tax		-	-	-
– Deferred tax charge/ (credit)	[a] [b] [c] [d]	(2.11)	(43.91)	(46.02)
– Tax expense relating to earlier years		-		
Profit for the year		**(6,073.65)**	**(140.71)**	**(6,214.36)**
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurements gains/(losses) of defined benefit plans	[f]	-	(1.18)	(1.18)
Income tax effect on above	[f]	-	0.30	0.30
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	(0.88)	(0.88)
Total Comprehensive Income for the year		**(6,073.65)**	**(139.83)**	**(6,213.48)**

Note: Numbers under IGAAP have been regrouped/reclassified, wherever necessary, to conform with the classification under Ind AS in current year.

III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2022

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP

Notes to Reconcilliation of Other Equity as at 1st April 2021 and 31 March 2022 and statement of profit and loss for year ended 31 March 2022

a. Other Non-Current Liabilities

Under Previous GAAP, Compulsory Convertible Preference Shares were recognised as equity on undiscounted basis. As per Ind AS, the Company has an option that Compulsory Convertible Preference Shares can classify these as Compound Financial Instrument and such instruments to be recognised as liability initially at fair value and subsequently at Fair Value through Profit and loss (FVTPL). This led to a decrease in the value of equity and creation of non-current liability on the date of transition and the difference between the equity and fair value of liability was adjusted against retained earnings. This increase/decrease is recognised as fair value gain/loss in profit and loss statement for subsequent period.

Under Previous GAAP, Non-Convertible Debentures were recognised on undiscounted basis. Ind AS requires such liabilities to be recognised initially at fair value and subsequently at amortised cost where the effect of time value of money is material. This led to a decrease in the value of non-current liabilities on the date of transition which was adjusted against retained earnings. Ind AS also provides that where discounting is used, the carrying amount of the liability increases in each period to reflect the passage of time. This increase is recognised as finance cost. The interest cost on unwinding of discount is recognised in the Statement of Profit and Loss under 'Finance costs' for the year ended 31st March, 2022.

(All amounts in ₹ lakhs, unless otherwise stated)

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As at 1st April 2021	As at 31st March, 2022	For the Year ended 31st March, 2022
Equity:			
Equity Share Capital	2.62	2.62	
Preference Share Capital	53.35	53.35	
Other equity (Retained earnings)	14,303.10	14,282.60	
Other equity (Securities Premium)	11,056.32	11,056.32	
Liability:			
Other non-current liabilities	(25,415.39)	(25,394.88)	
(Profit)/Loss:			
Finance costs			(20.50)

b. Employee Stock Option Plan :

Under Previous GAAP, the intrinsic value of the employee stock option plan was recognised as an expense over the vesting period. Under Ind AS, the compensation cost of employee stock option plan is recognised based on the fair value of the options determined using an appropriate pricing model at the date of grant. The increase in employee compensation cost for the options as on the date of transition based on fair value method has been adjusted against retained earnings. The impact for the year ended 31st March, 2022 has been recognised in 'Employee benefits expenses' in the Statement of Profit and Loss.

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As at 1st April 2021	As at 31st March, 2022	For the Year ended 31st March, 2022
Equity:			
Other equity (Employee Stock Options Outstanding Account)	-	(153.58)	-
Other equity (Retained earnings)	-	114.92	-
Assets:			
Deferred Tax Asset/(Liability)	-	38.66	-
(Profit)/Loss:			
Employee benefits expenses	-	-	154.76
Deferred Tax Expense/(Gains)	-	-	(38.66)

c. Right to Use of Assets(ROU) and Lease Liabilities (LL)

Under Previous GAAP lease rentals are accounted as Rent Expense. Under Ind AS, Right to use of asset and lease liability is recorded as per retrospective modified approach 2B wherein Right to use of asset is equal to the present value of future lease payments i.e. lease liability. The impact for the year ended 31st March, 2022 has been recognised in 'Finance Cost', 'Depreciation on leased asset' and 'Rent' in the Statement of Profit and Loss.

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As at 1st April 2021	As at 31st March, 2022	For the Year ended 31st March, 2022
Equity:			
Other Equity (Retain Earnings)	(2.86)	11.66	
Assets:			
Property, plant and equipment	444.09	345.22	
Deferred Tax Asset/(Liability)	(0.96)	3.92	
Liability:			
Lease Liability	(444.09)	(378.58)	
Lease Liability – Rent Equalisation Reserve	3.82	17.79	
Profit/(Loss):			
Finance Cost			62.17
Amortisation of ROU assets			98.88
Rent			(141.66)
Deferred Tax			(4.88)

Notes

to standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

d. Other Financial assets

Under Previous GAAP, Security Deposits were recognised on undiscounted basis. Ind AS requires such assets to be recognised at present value (discounted value) where the effect of time value of money is material. This led to a decrease in the value of non-current assets on the date of transition which was adjusted against retained earnings. Ind AS also provides that where discounting is used, the carrying amount of the assets increases in each period to reflect the passage of time. This increase is recognised as Other Income. The interest income on unwinding of discount is recognised in the Statement of Profit and Loss under 'Other Income' for the year ended 31st March, 2022.

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As at 1st April 2021	As at 31st March, 2022	For the Year ended 31st March, 2022
Equity:			
Other equity (Retained earnings)	0.07	0.29	
Assets:			
Other Financial assets	(14.61)	(11.59)	
Property, plant and equipment	14.51	11.20	
Deferred Tax Asset/(Liability)	0.02	0.10	
(Profit)/Loss:			
Depreciation expenses on lease assets			3.31
Other Income			(3.02)
Deferred Tax			(0.07)

e. Revenue from Sale of goods

Under Previous GAAP, revenue was recognised net of trade discounts and rebates. Under Ind AS, revenue is recognised upon delivery of the goods at the transaction price of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include rebates, price reductions, incentives given to customers, promotional couponing and slotting Fees. Slotting fees have been reclassified from 'advertising and sales promotion' within other expenses under Previous GAAP and netted from revenue under Ind AS. This also comprise of sales reversal on account of performance obligation not satisfied as on reporting date.

The adjustment to revenue includes reversal of revenue in respect of goods invoiced but not delivered of ₹ 47.19 lakhs and in respect of netting off of discounts of ₹ 76.43 lakhs.

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As at 1st April 2021	As at 31st March, 2022	For the Year ended 31st March, 2022
Equity:			
Other equity (Retained earnings)	-	30.66	-
Assets:			
Trade receivable	-	(47.19)	-
Inventory of finished goods		16.51	
(Profit)/Loss:			
Revenue from operations	-	-	123.62
Other expenses	-	-	(76.43)
Changes in inventories of finished goods		-	(16.51)

(All amounts in ₹ lakhs, unless otherwise stated)

f. Defined Benefit Plans

Actuarial gain/(loss) - Under Previous GAAP, actuarial gain/(loss) was recognised as employee benefit expenses in the Statement of Profit and Loss. Under Ind AS, the Company has recognised actuarial gain/(loss) on defined benefit plan in Other Comprehensive Income.

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As at 1st April 2021	As at 31st March, 2022	For the Year ended 31st March, 2022
Equity:			
Other Equity (Retain Earning)	-	-	-
Other Equity (Other Comprehensive Income)	-	-	-
Assets:			
Deferred Tax Asset/(Liability)	-	-	-
(Profit)/Loss:			
Employee benefits expenses	-	-	1.18
Remeasurement (gain)/loss on net defined benefit plans	-	-	(1.18)

4. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Property, plant and equipment	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2022
Owned Assets	169.98	213.77	121.99
Leased Assets	266.62	356.41	458.60
Total Property, plant and equipment	**436.60**	**570.18**	**580.59**

A. Owned Assets

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the standalone statement of profit and loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the standalone statement of profit and loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Notes

to standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. The useful life of major components of Property, Plant and Equipment is as follows:

Asset	Useful life *
Plant and Machinery	3 - 15 Years
Computers	3 Years
Furniture and fixtures	10 Years
Vehicles	10 Years
Office Equipment	5 Years

* In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The exception are as under:

a) Leasehold Improvement is amortised over the period of lease

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their carrying value and estimated net realizable value and are disclosed separately in the standalone financial statements. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

	Plant and Equipment	Computers	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold improvements	Total Property, plant and equipment
Gross block							
At 1 April 2021 (Deemed Cost)	**27.13**	**35.56**	**1.16**	**14.61**	**10.59**	**32.94**	**121.99**
Additions	35.30	57.56	9.44	-	10.12	24.50	136.92
Disposals	-	-	-	-	-	-	-
At 1 April 2022	**62.43**	**93.12**	**10.60**	**14.61**	**20.71**	**57.44**	**258.91**
Additions	6.67	11.30	-	-	1.42	-	19.39
Disposals	-	-	-	-	-	-	-
At 31 March 2023	**69.10**	**104.42**	**10.60**	**14.61**	**22.13**	**57.44**	**278.30**
Accumulated depreciation							
At 1 April 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	10.83	21.49	0.77	1.89	3.54	6.62	45.14
On Disposals	-	-	-	-	-	-	-
At 1 April 2022	**10.83**	**21.49**	**0.77**	**1.89**	**3.54**	**6.62**	**45.14**
Depreciation for the year	15.08	32.86	1.01	1.90	4.39	7.94	63.18
On Disposals							-
At 31 March 2023	**25.91**	**54.35**	**1.78**	**3.79**	**7.93**	**14.56**	**108.32**
Net Block							
At 31 March 2023	**43.19**	**50.07**	**8.82**	**10.82**	**14.20**	**42.88**	**169.98**
At 31 March 2022	**51.60**	**71.63**	**9.83**	**12.72**	**17.17**	**50.82**	**213.77**
At 01 April 2021	**27.13**	**35.56**	**1.16**	**14.61**	**10.59**	**32.94**	**121.99**

Notes:

1. The Company has not revalued any of its property, plant and equipment.
2. The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 31st March 2021 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April 2021.

(All amounts in ₹ lakhs, unless otherwise stated)

B. Leased Assets

The Company's lease asset classes primarily consist of leases for Buildings. The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

For arrangements entered into prior to 1st April, 2021, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

The right-of-use asset ("ROU") is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these, the Company recognises the lease payments as an operating expense.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease Liability and Right-of-Use Asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

	Total
Gross Block	
At 1 April 2021	**458.60**
Additions	-
Disposals	-
At 1 April 2022	**458.60**
Additions	15.97
Disposals	(7.85)
At 31 March 2023	**466.72**
Accumulated Depreciation	
At 1 April 2021	**-**
Depreciation for the year	102.19
On Disposals	-
At 1 April 2022	**102.19**
Depreciation for the year	104.87
On Disposals	(6.96)
At 31 March 2023	**200.10**
Net Block	
At 31 March 2023	**266.62**
At 1 April 2022	**356.41**
At 1 April 2021	**458.60**

Notes: (a) The Company incurred ₹ 1.82 lakhs (March 2022: ₹ 3.99 lakhs) for the year ended 31st March, 2023 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 139.76 lakhs (March 2022: ₹ 131.67 lakhs) for the year ended 31st March, 2023, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹ 55.13 lakhs (March 2022: ₹ 62.17 lakhs) for the year ended 31st March, 2023.

Notes

to standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

5. INTANGIBLE ASSETS

	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2022
Intangible Assets	97.62	60.58	21.72
Intangible Asset under Development	32.65	77.06	-

Intangible assets purchased are initially measured at cost. Intangible Asset under development is stated at cost, net of accumulated impairment loss, if any. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in standalone statement of profit or loss as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Estimated useful lives by major class of finite-life intangible assets are as follows:

Asset	Useful life
Trademark	10 Years
Software	3-5 Years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the standalone statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Trademarks and Software which are not ready for intended use as on the date of Balance Sheet are disclosed as "Intangible Asset under Development".

	Intangible assets			
	Finite Life Intangible assets			
	Plant and Equipment	Computers	Intangible Asset under Development	Total
Gross Carrying amount				
At 1st April, 2021 (Deemed Cost)	**4.89**	**16.83**	**-**	**21.72**
Additions	36.40	7.92	77.06	121.38
Disposals				-
At 1st April, 2022	**41.29**	**24.75**	**77.06**	**143.10**
Additions	4.24	65.90	18.65	88.79
Disposals	-	-	-	-
Capitalisation	-	-	(63.06)	(63.06)
At 31st March, 2023	**45.53**	**90.65**	**32.65**	**168.83**
Accumulated depreciation				
At 1st April, 2021	**-**	**-**	**-**	**-**
Amortization for the year	2.07	3.39		5.46
On Disposals				-
At 1st April, 2022	**2.07**	**3.39**	**-**	**5.46**
Amortization for the year	5.00	28.10		33.10
On Disposals				-
At 31st March, 2023	**7.07**	**31.49**	**-**	**38.56**
Net Book Value				
At 31st March, 2023	**38.46**	**59.16**	**32.65**	**130.27**
At 31st March, 2022	**39.22**	**21.36**	**77.06**	**137.64**
At 01st April, 2021	**4.89**	**16.83**	**-**	**21.72**

Notes:

1. The Company has elected to measure all its intangibles at the previous GAAP carrying amount i.e 31st March, 2021 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e 1st April, 2021.
2. There were no intangible assets under development as on 01st April, 2021.

(All amounts in ₹ lakhs, unless otherwise stated)

Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired .Intangible Under Development are subject to review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the standalone statement of profit and loss.

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

Impairment on Finite intangible assets is tested at each Balance sheet date only if there is any impairment indicator.

No impairment was identified as at 31st March, 2023, 31st March, 2022 and 1st April, 2021.

Intangible Asset under Development (IAUD) Ageing Schedule

At 31 March 2023

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress*	18.65	14.00	-	-	32.65
Projects temporarily suspended	-	-	-	-	-
Total	**18.65**	**14.00**	**-**	**-**	**32.65**

* There is no project under the intangibles for which timeline has been anticipated. It largely comprises of Trademarks and copyrights applications which are yet to be granted.

At 31 March 2022

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress *	77.06	-	-	-	77.06
Projects temporarily suspended	-	-	-	-	-
Total	**77.06**	**-**	**-**	**-**	**77.06**

* There is no project under the intangibles for which timeline has been anticipated. It largely comprises of Trademarks and copyrights applications which are yet to be granted.

6. INVESTMENT IN SUBSIDIARY

Investments in subsidiary is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiary at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2021.

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
NON-CURRENT INVESTMENTS			
A. Equity Instrument			
At cost			
Unquoted			
10,000 equity shares (31st March, 2022 - 10,000 shares) of ₹ 10/- each fully paid up in Zenherb Labs Private Limited	1.00	1.00	-
	1.00	**1.00**	**-**
Note:			
Aggregate amount of unquoted investments	1.00	1.00	-
Aggregate amount of impairment in value of investments	-	-	-

Notes

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(All amounts in ₹ lakhs, unless otherwise stated)

7. OTHER FINANCIAL ASSETS

(Unsecured, considered goods unless otherwise stated)

Refer note 35 for accounting policy on financial instruments

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Non-Current			
Security deposits (refer note (b) and (c) below)	56.23	52.53	51.33
Investments in term deposits (with remaining maturity of more than twelve months) (refer note (a) below)	441.46	343.29	-
Total (A)	**497.69**	**395.82**	**51.33**
Current			
Security deposits	0.95	2.00	2.75
Other assets	1.96	1.07	-
Total (B)	**2.91**	**3.07**	**2.75**
Total (A+B)	**500.60**	**398.89**	**54.08**

Notes:

(a) Held as lien by bank against overdraft facility

(b) Refer note 39 for information about receivables from related party

(c) The Company has not given any advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member except the security deposit given under the terms and conditions of Rent Agreement entered into with Veena Gadani, relative of director.

(d) Refer note 36 for information about credit risk and market risk for other financial assets

8. INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Uncertain Tax position:

Management periodically evaluates positions taken in the tax returns with respect to situations in tax rates enacted or substantively enacted at the reporting date, regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

(All amounts in ₹ lakhs, unless otherwise stated)

A. Components of Income Tax Expense

(i) Statement of profit and loss

	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Current Tax		
Current Year	-	-
Adjustment of tax relating to earlier periods	-	-
Total (A)	**-**	**-**
Deferred tax charge:		
Origination and reversal of temporary differences	(375.55)	(46.02)
Total (B)	**(375.55)**	**(46.02)**
Total (A+B)	**(375.55)**	**(46.02)**

(ii) Tax expense recognised in Other Comprehensive Income

	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Deferred tax charge		
(Gain)/loss on remeasurement of net defined benefit plans	(1.69)	0.30
Total	**(1.69)**	**0.30**

B. Reconciliation of Effective Tax Rate

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

	For the Year ended 31st March, 2023		For the Year ended 31st March, 2022	
	%	Amount	%	Amount
Statutory income tax rate	25.17%	1,389.65	25.17%	(1,575.74)
Differences due to				
Expenses not deductible for tax purposes	3.62%	199.72	2.76%	167.77
Gains on derecognition of financial liabilities	-43.63%	(2,404.42)	-	-
Unrecognised tax losses	8.00%	441.16	-26.87%	1,682.46
Others *	0.03%	(1.66)	-0.32%	(320.51)
Effective tax rate	**-6.80%**	**(375.55)**	**0.74%**	**(46.02)**

* Others includes impact due to prior period tax refunds.

C. Deferred Tax Assets and Liabilities

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Deferred tax assets	0.25	0.25	0.25
Deferred tax liabilities	0.25	0.25	0.25
Net deferred tax Asset/(liability)	**0.25**	0.25	0.25

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(All amounts in ₹ lakhs, unless otherwise stated)

D. Movement in Deferred Tax Assets and Liabilities

Movements during the year ended 31st March, 2023	For the year ended 31st March, 2023 As at 01st April, 2022	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in other comprehensive income	As at 31st March, 2023
Deferred tax assets/(liabilities)				
Provision for post retirement benefits and other employee benefits	9.73	15.72	1.69	27.14
Allowance for expected credit loss	4.82	4.30	-	9.12
Property, plant and equipment and Intangible assets	(7.21)	2.24	-	(4.97)
Impact of Right of Use Asset and Lease Liabilities (including Security Deposit)	8.50	4.77	-	13.27
Share issue expenses	-	219.04	-	219.04
Employee Stock Option Plan	38.66	129.48	-	168.14
Total	**54.50**	**375.55**	**1.69**	**431.74**

Movements during the year ended 31st March, 2022	For the year ended 31st March, 2022 As at 01st April, 2021	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in other comprehensive income	As at 31st March, 2022
Deferred tax assets/(liabilities)				
Provision for post retirement benefits and other employee benefits	6.37	3.66	(0.30)	9.73
Allowance for expected credit loss	4.82	-	-	4.82
Property, plant and equipment and Intangible assets	(2.43)	(4.78)	-	(7.21)
Impact of Right of Use Asset and Lease Liabilities (including Security Deposit)	0.02	8.48	-	8.50
Employee Stock Option Plan	-	38.66	-	38.66
Total	**8.78**	**46.02**	**(0.30)**	**54.50**

E. Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	31st March, 2023		31st March, 2022	
	Amount	Unrecognised tax effect	Amount	Unrecognised tax effect
Losses	**1,752.73**	**441.16**	**6,684.41**	**1,682.46**
Tax Losses	1,677.68	422.27	6,626.48	1,667.88
Unabsorbed Depreciation	75.05	18.89	57.93	14.58

F. Tax losses

Tax losses of previous years for which no deferred tax asset was recognised lapse under Section 79 of the Income Tax Act, 1961 due to change in the ownership.

	31st March, 2023	Lapse Date	31st March, 2022	Lapse Date
Tax Losses	1,677.68	FY 2030-31	6,626.48	Lapsed

G. Tax Assets and Liabilities

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Non-current tax assets (net of tax provision)	77.69	247.37	167.08
Non-current tax liabilities (net of tax assets)	-	-	-

H. DISCLOSURE IN RELATION TO UNDISCLOSED INCOME

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

(All amounts in ₹ lakhs, unless otherwise stated)

9. OTHER NON-CURRENT ASSETS

Unsecured, considered good

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Deposit with Government Authorities (Customs, GST, etc.)	0.25	0.25	0.25
	0.25	0.25	0.25

The Company has not given any advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

10. INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

Cost of raw materials, stock in trade and packing material includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss.

Cost of finished goods include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

		As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
(a)	Raw materials [includes in transit: ₹ Nil (31st March, 2022: ₹ Nil)]	199.66	797.74	248.08
(b)	Finished goods (other than those acquired for trading) [includes in transit: ₹ 21.40 lakhs (31st March, 2022: ₹ 16.51 lakhs)]	760.28	977.62	594.91
(c)	Stock-in-trade	37.54	848.63	18.41
		997.48	**2,623.99**	**861.40**

Note:

During year ended 31st March, 2023 an amount of ₹ 20.51 lakhs (31st March, 2022: ₹ 0 lakhs) was charged to the standalone statement of profit and loss on account of damaged and slow moving inventory. The reversal on account of above during the year amounted to ₹ 0 lakhs (31st March, 2022: ₹ 0 lakhs).

11. TRADE RECEIVABLES

Refer note 35 for accounting policy on financial instruments

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Trade Receivables considered good – Secured	-	-	-
Trade Receivables considered good – Unsecured	1,835.67	329.42	388.12
Less: Allowance for expected credit loss	-	-	-
Trade Receivables which have significant increase in credit risk	(36.25)	(19.14)	(18.44)
Trade Receivables – credit impaired	-	-	-
Less: Allowance for credit impairment	-	-	-
	1,799.42	**310.28**	**369.68**
The movement in change in allowance for expected credit loss and credit impairment			
Balance as at beginning of the year	(19.14)	(18.44)	-
Change in allowance for expected credit loss and credit impairment during the year	(17.11)	(0.70)	(18.44)
Balance as at the end of the year	**(36.25)**	**(19.14)**	**(18.44)**

Refer note 36 for information about credit risk and market risk of trade receivables.

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(All amounts in ₹ lakhs, unless otherwise stated)

Trade Receivable Ageing Schedule

As at 31st March, 2023

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	789.86	935.24	74.32	-	-	-	1,799.42
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	5.61	12.27	5.08	13.29	36.25
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
TOTAL (A)	**789.86**	**935.24**	**79.93**	**12.27**	**5.08**	**13.29**	**1,835.67**
Allowance for which have significant increase in credit risk							36.25
Allowance for credit impairment							-
TOTAL (B)							**36.25**
TOTAL [(A)- (B)]							**1,799.42**

As at 31st March, 2022

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	9.47	300.81	-	-	-	-	310.28
Undisputed Trade Receivables – which have significant increase in credit risk	-	18.03	-	1.11	-	-	19.14
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
TOTAL (A)	**9.47**	**318.84**	**-**	**1.11**	**-**	**-**	**329.42**
Allowance for significant increase in credit risk							19.14
Allowance for credit impairment							
TOTAL (B)							**19.14**
TOTAL [(A)- (B)]							**310.28**

As at 01st April, 2021

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	8.93	338.13	22.62			-	369.68
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	4.96	13.37	0.11	-	18.44
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
TOTAL (A)	**8.93**	**338.13**	**27.58**	**13.37**	**0.11**	**-**	**388.12**
Allowance for significant increase in credit risk							18.44
Allowance for credit impairment							-
TOTAL (B)							**18.44**
TOTAL [(A)- (B)]							**369.68**

There are no unbilled receivables as at 31st March, 2023, 31st March, 2022 and 01st April, 2021.

There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

(All amounts in ₹ lakhs, unless otherwise stated)

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

	As at 31st March ,2023	As at 31st March, 2022	As at 01st April, 2021
Cash on hand	3.00	0.37	0.02
Balances with banks			
– in current accounts	5.77	1,478.47	687.33
– Deposits with original maturity of less than three months	-	-	7,625.27
	8.77	**1,478.84**	**8,312.62**

13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS MENTIONED ABOVE

	As at 31st March ,2023	As at 31st March, 2022	As at 01st April, 2021
Investments in term deposits (with original maturity of more than three months but less than twelve months) (refer note (a) and (b) below)	8,182.66	7,977.66	2,888.30
	8,182.66	**7,977.66**	**2,888.30**

Notes:

(a) Held as lien by bank against overdraft facility.

(b) Includes amount of ₹ 100 lakhs held as margin money for the year ended 31 March 2022.

14. LOANS

	As at 31st March ,2023	As at 31st March, 2022	As at 01st April, 2021
Current			
Loans Others	2.25	5.25	-
Total	**2.25**	**5.25**	**-**
Sub-classification of Loans:			
Loans Receivables considered good- Secured	-	-	-
Loans Receivables considered good- Unsecured	2.25	5.25	-
Loans Receivables which have significant increase in Credit Risk	-	-	-
Loans Receivables - credit impaired	-	-	-

Refer Note 36 for information about credit risk and market risk for loans.

1. In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

2. There are no loans or advances in the nature of loans granted to promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

   (a) repayable on demand; or

   (b) without specifying any terms or period of repayment

3. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

15. OTHER CURRENT ASSETS

	As at 31st March ,2023	As at 31st March, 2022	As at 01st April, 2021
Advances other than Capital advances			
Balances with government authorities	1,487.54	1,603.31	274.09
Other advances (includes prepaid expenses etc.)	89.43	549.49	906.15
	1,576.97	**2,152.80**	**1,180.24**

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(All amounts in ₹ lakhs, unless otherwise stated)

16. SHARE CAPITAL

	As at 31st March, 2023		As at 31st March, 2022		As at 01st April, 2021	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Authorised share capital						
Equity shares of ₹ 10/- each	250,000	25.00	150,000	15.00	150,000	15.00
Series A Compulsorily convertible preference shares of ₹ 100/- each with voting rights	29,000	29.00	29,000	29.00	29,000	29.00
Series B Compulsorily convertible preference shares of ₹ 100/- each with voting rights	25,000	25.00	25,000	25.00	25,000	25.00
Series C Compulsorily convertible preference shares of ₹ 100/- each without voting rights	1,000	1.00	1,000	1.00	1,000	1.00
Issued, subscribed and fully paid up share capital						
Equity shares of ₹ 10/- each*	222,841	22.28	100,329	10.03	100,329	10.03
Series A Compulsorily convertible preference shares of ₹ 100/- each with voting rights**	27,085	27.08	-	-	-	-
Series B Compulsorily convertible preference shares of ₹ 100/- each with voting rights***	-	-	-	-	-	-
Series C Compulsorily convertible preference shares of ₹ 100/- each with voting rights**** (Refer note 1 below with respect to CCPS Series A holders)	-	-	-	-	-	-
	249,926	**49.36**	**100,329**	**10.03**	**100,329**	**10.03**
Forfeited Shares	626	0.00	-	-	-	-

* Company had issued 26,169 equity share capital which were classified as financial liability measured at FVTPL due to buyback obligation attached to these shares.

** Company had issued 28,571 Series A CCPS on 05th May, 2020 which are classified as financial liability measured at FVTPL due to buyback obligation attached to these shares.

*** Company had issued 24,780 Series B CCPS on 11th March, 2011 which were classified as financials liability measured at FVTPL due to buyback obligation attached to these shares are converted into equity shares during the current year.

**** Company had issued 626 partly paid Series C CCPS on 11th January, 2022 which are classified as compound financial instrument measured at amortised cost. During the FY 2022-23 Series C CCPS were forfeited.

Note 1: There are preferential dividend payable on the Series A CCPS outstanding as at 31st March, 2023, however, the preference shareholders has waived off the rights of preferential dividend.

A. Reconciliation of the number of shares

	As at 31st March, 2023		As at 31st March, 2022		As at 01st April, 2021	
	Equity Shares		Equity Shares		Equity Shares	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Equity Share Capital						
Balance as at the beginning of the year	100,329	10.03	100,329	10.03	100,329	10.03
Share classified as equity during the year	26,169	2.62	-	-	-	-
Bonus shares issued during the year	18,028	1.80	-	-	-	-
Shares issued during the year	52,049	5.20	-	-	-	-
CCPS converted to equity shares during the year	26,266	2.63	-	-	-	-
Balance as at the end of the year	**222,841**	**22.28**	**100,329**	**10.03**	**100,329**	**10.03**

	Preference Shares		Preference Shares		Preference Shares	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Series A compulsorily convertible preference share capital						
Balance as at the beginning of the year	-	-	-	-	-	-
Share classified as Compound financial instrument			-	-	-	-
Share classified as Equity during the year	28,571	28.57	-	-	-	-
Converted to Equity shares during the year	(1,486)	(1.49)	-	-	-	-
Balance as at the end of the year	**27,085**	**27.08**	**-**	**-**	**-**	**-**

(All amounts in ₹ lakhs, unless otherwise stated)

	Numbers	Amount	Numbers	Amount	Numbers	Amount
Series B compulsorily convertible preference share capital						
Balance as at the end of the year	-	-	-	-	-	-
Share classified as Compound financial instrument						
Share classified as Equity during the year	24,780	24.78	-	-	-	-
Converted to Equity shares during the year	(24,780)	(24.78)	-	-		
Balance as at the end of the year	-	-	-	-	-	-

	Numbers	Amount	Numbers	Amount	Numbers	Amount
Series C compulsorily convertible preference share capital						
Balance as at the end of the year						
CCPS issued during the year	-	-	626	0.00	-	-
Share classified as Compound financial instrument	-	-	(626)	(0.00)	-	-
Balance as at the end of the year	-	-	-	-	-	-

B. Rights, preferences and restrictions attached to shares

(i) Equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. Out of aforementioned shares, 10,633 shares are classified as liability at initial recognition and hence contains Equity and Financial Liability component. These shares were re-classified as equity as at 10th January, 2023. Pursuant to the Share Holders Agreement ('SHA') dated 05th May, 2020, the Company is required to undertake a buyback of all or any of the Investors Securities which includes equity shares held by the major investors. During the year ended 31st March, 2023, shareholder has waived off the buy back obligation. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature".

(ii) Series A compulsorily convertible preference shares

The Company has issued and allotted Series A Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100/- each at a premium of ₹ 11,095/- per shares. The holder of CCPS would be entitled to participate pari pasu in any cash or non-cash dividends paid to the holders of any other class of shares (including Equity Shares) or series on a pro rata, as-if-converted basis. The holder of CCPS have the right but not the obligation (i.e., at its option) to convert CCPS, in such numbers or in such tranches as it deems fit, into the relevant Equity Shares at any time (within maximum period of 20 years from date of ballottement/subscription) between date of allotment of CCPS up to the Mandatory Conversion Date (i.e. 3rd May 2040) as defined in the Shareholders Agreement. Further, at the option of the holder of CCPS, on or prior to the occurrence of a Liquidation Event, CCPS shall convert into Equity Shares. The holder of CCPS shall convert into Equity Shares on a 1:1 basis except in certain limited scenario as set out in the terms and conditions of CCPS. The holder of the CCPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares). Each of the Promoters, the Company and all other Shareholders hereby acknowledge that the Investor has agreed to subscribe to the CCPS on the basis that the Investor will be able to exercise voting rights on the CCPS as if the same were converted into Equity Shares. Each CCPS shall entitle the holder to the number of votes equal to the number of whole or fractional Equity Shares into which such CCPS could then be converted. Above aforementioned shares are classified as Compound financial instrument at initial recognition and hence contains Equity and Financial Liability component. These shares were re-classified as equity as at 10th January, 2023. Pursuant to the Share Holders Agreement ('SHA') dated 05th May, 2020, the Company is required to undertake a buyback of all or any of the Investors Securities which includes preference shares held by the major investors. During the year ended 31st March, 2023, Shareholder has waived off the buy back obligation. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature".

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(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Series B compulsorily convertible preference shares

The Company has issued and allotted Series B Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100/- each at a premium of ₹ 31,951/- per shares. The holder of CCPS would be entitled to participate pari pasu in any cash or non-cash dividends paid to the holders of any other class of shares (including Equity Shares) or series on a pro rata, as-if-converted basis. The holder of CCPS have the right but not the obligation (i.e., at its option) to convert CCPS, in such numbers or in such tranches as it deems fit, into the relevant Equity Shares at any time (within maximum period of 20 years from date of ballottement/subscription) between date of allotment of CCPS up to the Mandatory Conversion Date (i.e. 10th March, 2041) as defined in the Shareholders Agreement. Further, at the option of the holder of CCPS, on or prior to the occurrence of a Liquidation Event, CCPS shall convert into Equity Shares. The holder of CCPS shall convert into Equity Shares on a 1:1 basis except in certain limited scenario as set out in the terms and conditions of CCPS. The holder of the CCPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares). Each of the Promoters, the Company and all other Shareholders hereby acknowledge that the Investor has agreed to subscribe to the CCPS on the basis that the Investor will be able to exercise voting rights on the CCPS as if the same were converted into Equity Shares. Each CCPS shall entitle the hold to the number of votes equal to the number of whole or fractional Equity Shares into which such CCPS could then be converted. Above aforementioned shares are classified as Compound financial instrument at initial recognition and hence contains Equity and Financial Liability component. These CCPS were converted into equity shares on 10th January, 2023.

(iii) Series C compulsorily convertible preference shares

"The Company has issued and allotted Series C Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100/- each at a premium of ₹ 31,861/- per shares at a partly paid up value of ₹ 0.10/- per share. The holder of CCPS would be entitled, upon being fully paid up, to participate pari pasu in any cash or non-cash dividends paid to the holders of any class of shares (including Equity Shares), upon determination of the actual conversion to equity shares. The holder of CCPS have the right but not the obligation (i.e., at its option) to convert CCPS, into the relevant Equity Shares at the time of Capital Raise Event (within maximum period of 20 years from date of ballottement/subscription) between date of allotment of CCPS up to the Mandatory Conversion Date (i.e. 10th January, 2042) as defined in the Investment Agreement.

Conversion Valuation" (expressed on a per share basis) shall mean the higher of:

(a) a price that is calculated at a 1.5% discount per month to the per share price of the Equity Securities issued in the Capital Raise Event immediately succeeding [15th November, 2021], subject to a maximum cumulative discount of 30%. It is hereby clarified that number of months shall be determined from the date of disbursement of respective Tranche till the execution of the term sheet for the next Capital Raise Event of the Company; or

(b) per share price of the Equity Securities issued in the Capital Raise Event immediately preceding [15th November, 2021].

Upon CCPS being fully paid up, each CCPS holder shall be entitled to receive notice of and vote on all matters, equivalent to converted equity shares (including equity share holders).

Above aforementioned shares are classified as Compound financial instrument at initial recognition and hence contains Equity and Financial Liability component. 626 Series C CCPS are forfeited as at 06th January, 2023 on account of non payment of outstanding subscription amount by the erstwhile shareholder in response to the call notice issued by the Company.

C. Shares held by Holding Company

	As at 31st March, 2023		As at 31st March, 2022		As at 01st April, 2021	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Equity Share Capital						
Hindustan Unilever Limited	106,215	10.62	-	-	-	-
Series A compulsorily convertible preference share capital						
Hindustan Unilever Limited	27,085	27.09	-	-	-	-

(All amounts in ₹ lakhs, unless otherwise stated)

D. Details of shareholders holding more than 5% shares in the company

	As at 31st March, 2023		As at 31st March, 2022		As at 01st April, 2021	
	Numbers	% holding	Numbers	% holding	Numbers	% holding
Equity Share Capital						
Hindustan Unilever Limited *	106,215	47.66%				
Mrs. Aarti Gill	56,051	25.15%	62,127	49.11%	62,127	49.11%
Mr. Mihir Gadani	34,466	15.47%	38,202	30.20%	38,202	30.20%
Beerud Seth	-	-	11,963	9.46%	11,963	9.46%
Eight Roads Ventures India III LLP	20,876	9.37%	-	-	-	-
Series A compulsorily convertible preference share capital						
Matrix Partners India Investment III LLC	-	-	26,186	92.00%	26,186	92.00%
Hindustan Unilever Limited *	27,085	100.00%	-	-	-	-
Series B compulsorily convertible preference share capital						
Matrix Partners India Investment III LLC	-	-	4,599	18.65%	4,599	18.65%
Eight Roads Ventures India III LLP	-	-	16,019	64.64%	16,019	64.64%
F-Prime Capital Partners life science fund VI LP	-	-	4,005	16.16%	4,005	16.16%
Series C compulsorily convertible preference share capital						
Stride Venture India Fund	-	-	376	60.06%	-	-
Stride Venture Debt Fund II	-	-	250	39.94%	-	-

*Hindustan Unilever Limited invested in Zywie Ventures Private Limited by subscribing to 52,049 Equity share capital of the Company. Hindustan Unilever Limited further purchased 54,166 equity shares, 27,085 Series A compulsorily convertible preference share capital of the Company from existing Shareholders as on 10th January, 2023. Accordingly, Hindustan Unilever Limited acquired 51% on fully diluted basis (53.34% without dilution) in Zywie Ventures Private Limited.

E. Details of shares held by promoters

(I) Equity shares of ₹ 10/- each

		As at 31st March, 2023		As at 31st March, 2022		
S. No.	Promoter name	Number of shares	% of total shares	Number of shares	% of total shares	% change in the year
1.	Hindustan Unilever Limited	106,215	47.66%	-	-	100.00%
2.	Mrs. Aarti Gill	56,051	25.15%	62,127	61.92%	-9.78%
3.	Mr. Mihir Gadani	34,466	15.47%	38,202	17.14%	-9.78%
	Total Promoters shares outstanding	**196,732**		**100,329**		
	Total shares outstanding	**222,841**		**100,329**		

		As at 31st March, 2022		As at 01st April, 2021		
S. No.	Promoter name	Number of shares	% of total shares	Number of shares	% of total shares	% change in the year
	Equity shares of Rs. 10/- each					
1.	Hindustan Unilever Limited	-	-	-	-	0.00%
2.	Mrs. Aarti Gill	62,127	61.92%	62,127	61.92%	0.00%
3.	Mr. Mihir Gadani	38,202	38.08%	38,202	38.08%	0.00%
	Total Promoters shares outstanding	**100,329**		**100,329**		
	Total shares outstanding	**100,329**		**100,329**		

(II) Series A compulsorily convertible preference share capital of ₹ 100/- each

		As at 31st March, 2023		As at 01st April, 2022		
S. No.	Promoter name	Number of shares	% of total shares	Number of shares	% of total shares	% change in the year
1.	Hindustan Unilever Limited	27,085	100%	-	-	100%

		As at 31st March, 2023		As at 03rd August, 2004		
S. No.	Promoter name	Number of shares	% of total shares	Number of shares	% of total shares	% change in the year
1.	Hindustan Unilever Limited	-	-	-	-	-

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(All amounts in ₹ lakhs, unless otherwise stated)

17. OTHER EQUITY

A. Summary of Other Equity balance

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Securities Premium	24,971.61	-	-
Retained earnings	(15,472.45)	(21,364.01)	(15,150.53)
Employee Stock Reserve	-	153.58	-
Equity component of Compound financial instrument	-	0.00	-
Total Other Equity	**9,499.16**	**(21,210.43)**	**(15,150.53)**

B. Nature and purpose of reserves

a. Securities Premium Reserve:

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Balance at the beginning of the year	-	-	-
Shares issued during the year at premium	10,230.87	-	-
Shares converted to from Preference shares to Equity Shares	23.64	-	-
Issue of bonus shares	(1.80)	-	-
Less: Share issue expenses	(1,087.82)	-	-
Add/(Less): Addition during the year on account of change in classification of compound financial instrument	15,806.72	-	-
Balance at the end of the year	**24,971.61**	**-**	**-**

b. Retained earnings:

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

Remeasurements of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Balance at the beginning of the year	(21,364.01)	(15,150.53)	(15,150.53)
Add: Profit / (Loss) for the year	5,896.60	(6,214.36)	-
Add: Other comprehensive income/ (loss) for the year (Remeasurement of Net Defined Benefit Plans)*	(5.04)	0.88	-
Balance at the end of the year	**(15,472.45)**	**(21,364.01)**	**(15,150.53)**

*Movement in Remeasurement of Net Defined Benefit Plans

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Balance at the beginning of the year	-	-	-
Add: Gain/ (loss) on remeasurement of net defined benefit plans, net of tax	(5.04)	0.88	(4.08)
Less: Transfer to retained earnings	5.04	(0.88)	4.08
Balance at the end of the year	**-**	**-**	**-**

(All amounts in ₹ lakhs, unless otherwise stated)

c. Employee Stock Reserve

The fair value of the equity-settled share based payment transactions is recognised in standalone statement of profit and loss with corresponding credit to Employee Stock Options expense account.

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Balance at the beginning of the year	153.58	-	-
Add: Addition during the year	-	153.58	-
Less: Classified as cash settled option*	(153.58)	-	-
Balance at the end of the year	**-**	**153.58**	**-**

*During the year, equity settled share based payment transaction is classified as cash settled share based payment transaction and therefore equity reserve is derecognised and liability for cash settled share based payment is recognised as at 10th January, 2023. Any difference between the carrying amount of equity derecognised and the amount of liability recognised on the modification date is recognised in profit or loss account.

d. Equity component of Compound financial instrument

The convertible preference share reserve contains the equity component of the issued convertible shares. The liability component is reflected in financial liabilities.

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Balance at the beginning of the year*	0.00	-	-
Add: Addition during the year	-	0.00	-
Less: Reclassified as Equity*	0.00	-	-
Balance at the end of the year	**-**	**0.00**	**-**

* The value CCPS series C classified as compound financial instrument during the year is ₹ 56. The financials are presented in Lakhs and hence the amount is shown as "0.00".

18. BORROWINGS

Refer note 35 for accounting policy on financial instruments.

	Effective Interest Rate %	Maturity	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Non-current					
Secured, 14% Redeemable Non Convertible Debentures	14%	2022-25	-	600.00	-
Liability component of compound financial instruments					
– Compulsory Convertible Preference Shares	Refer note 2 below		-	17,051.51	17,051.51
– Equity Shares	Refer note 3 below		-	8,363.87	8,363.87
			-	**26,015.38**	**25,415.38**
Current					
Loan repayable on demand					
From banks (Secured)					
– Bank overdraft	Refer note 4 below		1,294.79	6,911.97	1,691.61
– Cash credit	Refer note 5 below		-	40.00	-
Loan from related parties (Unsecured)					
From directors	Refer note 6 below		-	1.00	-
Current maturity of long-term loans					
Secured, 14% Redeemable Non Convertible Debentures	14%	2022-25	-	1,379.50	-
			1,294.79	**8,332.47**	**1,691.61**
Aggregate Secured loans			1,294.79	8,931.47	1,691.61
Aggregate Unsecured loans			-	25,416.39	25,415.39
			1,294.79	**34,347.86**	**27,107.00**

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(All amounts in ₹ lakhs, unless otherwise stated)

Notes:

1. Secured, Redeemable Non Convertible Debentures were obtained during the previous year at an interest rate of 14% and is repayable within 12 months to 36 months. During the current year, these Debentures were fully paid. The above debentures were secured by way of pari pasu residual charge on all assets of the company as per the debenture deed entered with Debenture Trustee on 29th December, 2021. Further the margin money of ₹ 1 crore was provided (i.e. 10% of Debenture Value)
2. Company had issued 28,571 Series A CCPS on 05th May, 2020 and 24,780 Series B CCPS on 11th March, 2021 which are classified as financial liability measured at FVTPL due to buyback obligation attached to these shares. During the current year, there is buyback obligation extinguishment which covert the financial liability into equity.
3. Company had issued 26,169 equity shares which were classified as financial liability measured at FVTPL on account of buyback obligation attached to these shares. During the current year, there is buyback obligation extinguishment which covert the financial liability into equity.
4. Secured, Bank overdrafts are obtained at interest ranging between 5.15% to 7.30% (31st March, 2022 - 6 % to 7.20%) and is repayable on demand. The bank overdrafts are secured against the term deposits.
5. Cash credit facility from banks secured against hypothecation of stock and book debts and has been guaranteed by the personal guarantee of Mr. Mihir Gadani (Director) and Mrs. Aarti Gill (Director) and is repayable on demand.

   Secured, Cash credit facility was obtained at interest of 10.45% (31st March, 2022 - 10.45%). During the current year, the Company has repaid cash credit fully.
6. Unsecured, interest free loans, from directors outstanding as at 31st March, 2022 were repayable on demand. These have been fully repaid in the current year.

19. LEASE LIABILITIES

Lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Non-Current			
Lease liabilities payable beyond 12 months	167.27	239.72	316.41
	167.27	**239.72**	**316.41**
Current			
Lease liabilities payable within 12 months	143.67	138.86	127.68
	143.67	**138.86**	**127.68**

The movement in Lease liabilities (Non-current and Current) is as follows:

	As at 31st March, 2023	As at 31st March, 2022
Balance as at beginning of the year	378.58	444.09
Add: Addition	15.97	-
Add: Accretion of interest	55.13	62.17
Less: Payments	(137.94)	(127.68)
Less: Others (including foreclosure)	(0.80)	-
Closing balance as at 31st March	**310.94**	**378.58**

20. OTHER FINANCIAL LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Non-Current			
Employee Stock Option Scheme (Refer note 38)	668.02	-	-
	668.02	**-**	**-**
Current			
Salaries, wages, bonus and other employee payable	33.53	131.71	67.28
	33.53	**131.71**	**67.28**

(All amounts in ₹ lakhs, unless otherwise stated)

21. PROVISIONS

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Non-Current			
Provision for employee benefits			
Provision for gratuity (refer note 37)	67.66	31.82	16.46
	67.66	31.82	16.46
Current			
Provision for employee benefits			
Provision for Leave Compensation	40.17	6.82	8.87
Other provisions (Refer note a below)	42.75	34.92	56.34
	82.92	**41.74**	**65.21**

(a) Movement in Other provisions (Non-current and Current)

	Sales Returns
Opening balance as at 1st April, 2021	**56.34**
Add: Provision during the year	34.92
Less: Amount utilised during the year	-
Less: Amount reversed during the year	(56.34)
Opening balance as at 1st April, 2022	**34.92**
Add: Provision during the year	42.75
Less: Amount utilised during the year	-
Less: Amount reversed during the year	(34.92)
Balance as on 31st March, 2023	**42.75**

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. The Company does not expect any reimbursement in respect of the above provisions. The provision for sales return comprises the returns that Company is expecting in future basis the past trends.

22. TRADE PAYABLES

Refer note 35 for accounting policy on financial instruments

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Total outstanding, dues of micro and small enterprises	634.73	265.71	231.83
Total outstanding, dues of creditors other than micro and small enterprises	1,452.24	1,780.01	1,628.30
	2,086.97	**2,045.72**	**1,860.13**

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(All amounts in ₹ lakhs, unless otherwise stated)

Disclosure Pertaining To Micro, Small And Medium Enterprises

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	634.73	265.71	231.83
Principal amount due to micro and small enterprises.	627.89	264.19	230.33
Interest due on above.	3.82	1.52	1.50
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	6.84	3.02	1.50
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-	-

Trade Payables Ageing Schedule

As at 31st March, 2023

		Outstanding for following periods from due date of payment				
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	303.10	331.44	0.19	-	-	634.73
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,089.93	347.38	14.93	-	-	1,452.24
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	**1,393.03**	**678.82**	**15.12**	**-**	**-**	**2,086.97**

As at 31st March, 2022

		Outstanding for following periods from due date of payment				
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	137.74	127.97	-	-	-	265.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,147.97	632.04	-	-	-	1,780.01
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	**1,285.71**	**760.01**	**-**	**-**	**-**	**2,045.72**

(All amounts in ₹ lakhs, unless otherwise stated)

As at 01st April. 2021

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	188.86	42.97	-	-	-	231.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	651.52	976.78	-	-	-	1,628.30
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	**840.38**	**1,019.75**	**-**	**-**	**-**	**1,860.13**

23. OTHER CURRENT LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Statutory dues (including provident fund, tax deducted at source and others)	51.49	69.28	25.09
Advance from customers	0.86	112.36	-
Total	**52.35**	**181.64**	**25.09**

24. REVENUE FROM OPERATIONS

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Income from Services rendered

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Revenue from contract with customers		
Sale of products		
Sale of manufactured goods	7,938.18	11,464.51
Sale of traded goods	2,015.31	828.40
	9,953.49	**12,292.91**
Other operating income		
Income from services rendered	30.44	0.02
Others	23.57	54.80
	54.01	**54.82**
Total revenue from operations	**10,007.50**	**12,347.73**

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(All amounts in ₹ lakhs, unless otherwise stated)

24 a. Set out below is the disaggregation of the company's revenue from contract with customer

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Geographical location of customer		
India	9,929.81	12,292.91
Outside India	23.68	-
Total revenue from contract with customers	**9,953.49**	**12,292.91**

24 b. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Revenue as per contracted price	10,299.00	(12,507.19)
Other deductions *	(345.51)	(214.28)
Revenue from contract with customers	**9,953.49**	**12,292.91**

* Other deduction includes claims to customers, incentives, free samples and visibility claims, etc.

25. OTHER INCOME

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Statement of Profit and Loss.

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Interest income on		
– Bank deposits	439.91	391.02
– Income tax refund	13.78	-
– Others Income	3.17	3.02
Gains on derecognition of financial liabilities *	9,552.70	-
Others	2.57	2.96
	10,012.13	**397.00**

* This represent the gain on buy back obligation extinguishment on Equity, CCPS Series A and Series B.

26. COST OF MATERIALS CONSUMED

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Inventory of materials at the beginning of the year	797.74	248.08
Add : Purchases	2,326.16	4,724.07
Less : Inventory of materials at the end of the year	(199.66)	(797.74)
	2,924.24	**4,174.41**

27. PURCHASE OF TRADED GOODS

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Purchase of traded goods	840.37	1,588.95
	840.37	**1,588.95**

(All amounts in ₹ lakhs, unless otherwise stated)

28. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Opening inventories		
Finished goods	977.62	594.91
Stock-in-trade	848.63	18.41
	1,826.25	**613.32**
Closing inventories		
Finished goods	760.28	977.62
Stock-in-trade	37.54	848.63
	797.82	**1,826.25**
	1,028.43	**(1,212.93)**

29. EMPLOYEE BENEFIT EXPENSE

Short term employee benefits

Short term employee benefits including salaries and performance incentives, are charged to standalone statement of profit and loss on an undiscounted, accrual basis during the period of employment.

Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a Government administered fund and charged as an expense to the standalone statement of profit and loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense/ (income) on the net defined benefit liability/ (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability/(asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

The company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972. Which entitles an employee, who has rendered at least five years of continuous service, to gratuity payable on termination of his employment at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The plan is partly funded by LIC of India and partly non-funded.

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All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised based on undiscounted value of estimated value of benefit expected to be availed by the employees.

Termination benefits

Termination benefits are expensed at the earlier of when the entity can no longer withdraw the offer of those benefits or when the entity recognizes costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Share Based Payment transactions

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share-based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

For cash-settled share-based payments, the fair value of the amount payable is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses.

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Salaries, wages and bonus	1,813.03	1,159.75
Share based payment	750.43	153.58
Contribution to provident and other funds	70.61	40.91
Staff welfare expenses	18.39	18.55
	2,652.46	**1,372.79**

30. FINANCE COST

Finance costs includes costs in relation to borrowings and similar obligations, interest on lease liabilities which represents the unwinding of the discount rate applied to lease liabilities and also include interest costs in relation to financial liabilities.

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Interest cost on financial liabilities at amortised cost	249.62	66.77
Interest on bank overdraft	326.99	120.23
Interest on Lease Liabilities	55.13	62.17
Others	86.90	23.03
	718.64	**272.20**

31. DEPRECIATION AND AMORTISATION EXPENSE

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Depreciation on property, plant and equipment (owned assets)	63.19	45.13
Amortisation of ROU assets	104.87	102.19
Amortisation on intangible assets	33.10	5.46
	201.16	**152.78**

(All amounts in ₹ lakhs, unless otherwise stated)

32. OTHER EXPENSES

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Advertising and promotion	3,834.55	10,001.53
Marketplace Commission	646.20	931.99
Carriage and freight	812.78	1,077.60
Power, fuel, light and water	5.10	4.56
Rent	1.82	3.99
Travelling and motor car expenses	101.56	22.09
Repairs	3.89	3.96
Product Testing Charges	61.64	40.79
Packing & Design Charges	36.81	129.20
Professional Fees	145.57	85.88
Software Subscription Charges	167.56	120.83
Insurance Charges	30.84	38.42
License Fee Charges	25.00	3.10
Telephone & Mobile Expense	111.59	65.09
Bank Fees and Charges	13.20	0.33
Printing and Stationery	13.12	8.05
Miscellaneous expenses	122.05	119.50
	6,133.28	**12,656.91**
Note:		
Miscellaneous expenses include:		
Payments to the auditors for:		
Statutory audit fees	20.00	18.15
Tax audit fees	2.00	2.00
Others	-	-
Fees for other audit related services	-	-
Fees for certification	-	-
Reimbursement of out-of-pocket expenses *	0.23	-
	22.23	**20.15**

* The reimbursement of out-of-pocket expenses pertains to erstwhile auditors.

33. EARNINGS PER SHARE (EPS)

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

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

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Profit / (Loss) after tax for the year	5,896.60	(6,214.36)
Weighted average number of equity shares for basic EPS	147,555	118,357
Basic Earnings per equity share	**3,996.20**	**(5,250.52)**
Profit / (Loss) after tax for the year	(3,656.10)	(6,214.36)
Weighted average number of Equity shares for diluted EPS	152,683	118,357
Diluted Earnings per share ****	**(2,394.57)**	**(5,250.52)**

Weighted - average number of equity shares (basic)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Issued equity shares at the beginning of the year	100,329	100,329
Effect of bonus share issued *	18,028	18,028
Effect of liability classified as equity shares and instruments entirely equity in nature **	11,636	-
Effect of share issued during the year	11,551	-
Preference shares outstanding during the year, to be converted into equity shares **	6,011	-
Weighted - average number of equity shares (basic)	**147,555**	**118,357**

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(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit / (loss) attributable to equity shareholders (basic)	5,896.60	(6,214.36)
Gain on fair value changes on financial liabilities	(9,552.70)	-
Profit / (loss) attributable to equity shareholders (diluted)	**(3,656.10)**	**(6,214.36)**

Weighted - average number of equity shares (diluted)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Issued equity shares at the beginning of the year	100,329	100,329
Effect of bonus share issued *	18,028	18,028
Effect of liability classified as instruments entirely equity in nature **	11,636	-
Effect of share issued during the year	11,551	-
Preference shares outstanding during the year, to be converted into equity shares **	6,011	-
Employee share option	5,128	-
Weighted – average number of equity shares (diluted)	**152,683**	**118,357**

* On 27th December, 2022, the Company has allotted 18,028 bonus equity shares of ₹ 100 each to Series A and Series B Compulsorily Convertible preference shareholders of the Company as below:

– 2,536 bonus shares to holders of Series A compulsorily convertible preference shares and

– 15,492 bonus shares to holders of Series B compulsorily convertible preference shares

** On 20th December, 2022, pursuant to the approval by the Board of Directors of the Company and the amendment to the shareholders agreement dated 08th December, 2022, the conversion ratio for 0.001% Cumulative Compulsorily Convertible Preference Shares of Series A ("CCPS A") stands changed from 1 equity share for 1 CCPS A share to 1 equity share for 1 CCPS A share. Accordingly, 1,486 CCPS A shares of ₹ 100 each, have been converted to 1,486 equity shares of ₹ 10 each, on 08th December, 2022.

** On 06th January, 2023, pursuant to the approval by the Board of Directors of the Company and the amendment to the shareholders agreement dated 06th January, 2023, the conversion ratio for 0.001% Cumulative Compulsorily Convertible Preference Shares of Series B (“CCPS B”) stands changed from 1 equity share for 1 CCPS B share to 1 equity share for 1 CCPS B share. Accordingly, 24,780 CCPS B shares of ₹ 100 each, have been converted to 24,780 equity shares of ₹ 10 each, on 06th January, 2023.

626 Series C CCPS are forfeited as at 06th January, 2023 on account of non payment of outstanding subscription amount by the erstwhile shareholder in response to the call notice issued by the Company.

The Earnings per share (in compliance with Ind AS 33) for the current year and previous year has been arrived at after giving effect to the above mentioned issue of bonus share to CCPS holders.

**** The effect of conversion of 0% redeemable, convertible, non-cumulative, preference shares into equity shares being anti-dilutive, has not been considered for the purpose of computing diluted earnings per share.

34. CONTINGENT LIABILITIES, CAPITAL AND OTHER COMMITMENTS

The Company does not have any contingent liabilities and any other commitments as on 31st March, 2023, 31st March, 2022 and 1st April, 2021.

35. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I. Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the standalone statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified and measured at

– amortised cost

– fair value through profit and loss (FVTPL)

– fair value through other comprehensive income (FVOCI).

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

(All amounts in ₹ lakhs, unless otherwise stated)

(a) Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(b) Debt Instruments:

Debt instruments includes Compulsorily Convertible Debentures at a coupon of 14% are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(i) Financial assets at amortised costs

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the 'EIR' method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the standalone statement of profit and loss.

(ii) Financial instruments at Fair Value through Profit or Loss (FVTPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the standalone statement of profit and loss.

(iii) Financial assets at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the standalone statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the standalone statement of profit and loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset

Offsetting financial instruments

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

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

(a) Trade receivables

(b) Financial assets measured at amortised cost (other than trade receivables)"

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

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(All amounts in ₹ lakhs, unless otherwise stated)

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

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

ECL allowance recognised (or reversed) during the period is recognised as income/ expense in the standalone statement of profit and loss under the head 'Other expenses'.

Write - off

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

II. Financial Liabilities:

(a) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

(b) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the standalone statement of profit and loss.

(c) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in standalone statement of profit and loss.

(d) Compound financial instruments:

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

(All amounts in ₹ lakhs, unless otherwise stated)

A. Accounting Classifications And Fair Values

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

	Note	Carrying value/ Fair value As at 31st March, 2023	As at 31st March, 2022	As at 01st April 2021
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
Other non-current financial assets	7	497.69	395.82	51.33
Other current financial assets	7	2.91	3.07	2.75
Trade Receivables	11	1,799.42	310.28	369.68
Cash and Cash Equivalents	12	8.77	1,478.84	8,312.62
Bank balances other than cash and cash equivalents mentioned above	13	8,182.66	7,977.66	2,888.30
Loans	14	2.25	5.25	-
		10,493.70	**10,170.92**	**11,624.68**
FINANCIAL LIABILITIES				
Financial liabilities measured at fair value				
Employee Stock Option Plan (Cash Settled Liability)	20	668.02	-	-
Financial liabilities measured at amortised cost				
Lease Liabilities	19	310.94	378.58	444.09
Borrowings	18	1,294.79	34,347.85	27,106.99
Other financial liabilities	20	33.53	131.71	67.28
Trade payables	22	2,086.97	2,045.72	1,860.13
		4,394.25	**36,903.86**	**29,478.49**

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

B. Income, Expenses, Gains Or Losses On Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

	Note	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Financial assets measured at amortised cost			
Interest income	25	456.86	394.04
Financial liabilities measured at amortised cost			
Interest expense	30	663.52	210.03
Interest on lease liabilities	30	55.13	62.17

C. Fair Value Hierarchy

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

The categories used are as follows:

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

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

As at 31st March, 2023

	Level 1	Level 2	Level 3	Total
Liabilities at fair value				
Financial Liability component of Compulsory Convertible Preference Shares	-	-	-	-
Financial Liability component of Equity Shares	-	-	-	-
Lease Liabilities	-	-	310.94	310.94

As at 31st March, 2022

	Level 1	Level 2	Level 3	Total
Liabilities at fair value				
Financial Liability component of Compulsory Convertible Preference Shares	-	-	17,051.51	17,051.51
Financial Liability component of Equity Shares	-	-	8,363.87	8,363.87
Lease Liabilities	-	-	378.58	378.58

As at 01 April 2021

	Level 1	Level 2	Level 3	Total
Liabilities at fair value				
Financial Liability component of Compulsory Convertible Preference Shares	-	-	17,051.51	17,051.51
Financial Liability component of Equity Shares	-	-	8,363.87	8,363.87
Lease Liabilities			444.09	444.09

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March 2022 and 1 April 2021.

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as significant unobservable inputs used.

Financial Instruments measured at Fair Values

Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Financial Liability component of Compulsory Convertible Preference Shares	Discounted cash flow approach : The approach model considers the present value of expected payments/receipts, discounted using risk adjusted discount rate.	Forecasted Revenue	5% increase in forecasted revenue would have led to an additional liability of approximately ₹ 85 lakhs and 5% decrease would have led to an equal but opposite effect.
Financial Liability component of Equity Shares	Discounted cash flow approach : The approach model considers the present value of expected payments/receipts, discounted using risk adjusted discount rate.	Forecasted Revenue	5% increase in forecasted revenue would have led to an additional liability of approximately ₹ 85 lakhs and 5% decrease would have led to an equal but opposite effect.
Lease Liabilities	Discounted cash flow approach : The approach model considers the present value of expected payments/receipts, discounted using incremental borrowing rates.	Discount rate 100 bps	Increase in discount rate by 100 bps points will increase the lease liability by ₹ 3.19 lakhs and 100 bps decrease would have led to an equal but opposite effect.

(All amounts in ₹ lakhs, unless otherwise stated)

Transfers between Levels 1 and 2

There are no transfers between Level 1 and Level 2 during the reporting year.

Reconciliation of Level 3 fair value measurements of financial liabilities is given below:

(A) Financial Liability component of Compulsory Convertible Preference Shares

Reconciliation of movements in Level 3 valuations	Year ended 31 March 2023	Year ended 31 March 2022
Opening	**17,051.51**	**17,051.51**
Additions during the year	-	-
Payments during the year	-	-
Gain recognised in profit and loss on fair value adjustments	(6,335.22)	-
Transfer to profit and loss on extinguishment of buy-back rights	(10,716.29)	-
Closing	**-**	**17,051.51**

(B) Financial Liability component of Equity Shares

Reconciliation of movements in Level 3 valuations	Year ended 31 March 2023	Year ended 31 March 2022
Opening	**8,363.87**	**8,363.87**
Additions during the year	-	-
Payments during the year	-	-
Gain recognised in profit and loss on fair value adjustments	(3,217.48)	-
Transfer to profit and loss on extinguishment of buy-back rights	(5,146.40)	-
Closing	**-**	**8,363.87**

(C) Lease Liabilities

Reconciliation of movements in Level 3 valuations	Year ended 31 March 2023	Year ended 31 March 2022
Opening	**378.58**	**444.09**
Additions during the year	71.10	62.17
Payments during the year	(137.94)	(127.68)
Gain recognised in profit and loss on fair value adjustments	-	-
Others	(0.80)	-
Closing	**310.94**	**378.58**

Other financial assets and liabilities

Cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

36. FINANCIAL RISK MANAGEMENT

A. Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2023 and 31st March, 2022. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

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

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The following table shows the maturity analysis of the Company's financial assets and financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

As at 31st March, 2023

	Note	Carrying amount	Undiscounted Amount		
			Within 1 year	More than 1 year	Total
Financial assets					
Non-derivative assets					
Loans	14	2.25	2.25	-	2.25
Trade Receivables	11	1,799.42	1,799.42	-	1,799.42
Cash and cash equivalents	12	8.77	8.77	-	8.77
Bank Balances other cash and cash equivalents	13	8,182.66	8,182.66	-	8,182.66
Investments in term deposits (with remaining maturity of more than twelve months)	7	441.46	-	441.46	441.46
Other assets	7	1.96	1.96	-	1.96
Security deposits	7	57.18	0.95	64.66	65.61
Financial liabilities					
Non-derivative liabilities					
Lease Liabilities	19	310.94	143.67	253.76	397.43
Borrowings	18	1,294.79	1,294.79	-	1,294.79
Trade payables	22	2,086.97	2,086.97	-	2,086.97
Employee liabilities	20	33.53	33.53	-	33.53
Other financial liabilities	20	668.02	-	668.02	668.02

As at 31st March, 2022

	Note	Carrying amount	Undiscounted Amount		
			Within 1 year	More than 1 year	Total
Financial assets					
Non-derivative assets					
Loans	14	5.25	5.25	-	5.25
Trade Receivables	11	310.28	310.28	-	310.28
Cash and cash equivalents	12	1,478.84	1,478.84	-	1,478.84
Bank Balances other cash and cash equivalents	13	7,977.66	7,977.66	-	7,977.66
Investments in term deposits (with remaining maturity of more than twelve months)	7	343.29	-	343.29	343.29
Other assets	7	1.07	1.07	-	1.07
Security deposits	7	54.53	2.00	64.13	66.13
Financial liabilities					
Non-derivative liabilities					
Lease Liabilities	19	378.58	138.86	397.43	536.29
Trade payables	22	2,045.72	2,045.72	-	2,045.72
Employee liabilities	20	131.71	131.71	-	131.71
Borrowings	18	34,347.85	8,332.47	26,015.38	34,347.85
Other financial liabilities	20	-	-	-	-

(All amounts in ₹ lakhs, unless otherwise stated)

As at 01st April, 2021

	Note	Carrying amount	Undiscounted Amount Within 1 year	More than 1 year	Total
Financial assets					
Non-derivative assets					
Trade Receivables	11	369.68	369.68	-	369.68
Cash and cash equivalents	12	8,312.62	8,312.62	-	8,312.62
Bank Balances other cash and cash equivalents	13	2,888.30	2,888.30	-	2,888.30
Security deposits	7	54.08	2.75	65.95	68.70
Financial liabilities					
Non-derivative liabilities					
Lease Liabilities	19	444.09	127.68	536.29	663.97
Trade payables	22	1,860.13	1,860.13	-	1,860.13
Employee liabilities	20	67.28	67.28	-	67.28
Borrowings	18	27,106.99	1,691.61	25,415.38	27,106.99

B. MANAGEMENT OF MARKET RISK

The Company's business activities are exposed to a variety of financial risks, namely:

- currency risk;
- interest rate risk; and
- commodity risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company's exposure to foreign currency risk at the end of reporting period expressed in ₹ as on 31st March, 2023

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Financial assets			
Foreign Currency receivables for export of goods	10.95	-	-
Financial liabilities			
Foreign Currency payables for Import of services	4.94	-	-
Net exposure for Foreign currency risk (Liabilities)	**6.01**	**-**	**-**

Impact on profit / (loss) for the year for a 5% change:

Particulars	For the year ended 31st March, 2023 5% Appreciation	5% Depreciation	For the year ended 31st March, 2022 5% Appreciation	5% Depreciation	For the year ended 01st April, 2021 5% Appreciation	5% Depreciation
USD/INR	0.30	(0.30)	-	-	-	-

Notes
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(All amounts in ₹ lakhs, unless otherwise stated)

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 market interest rates. The Company's exposure to market risk for changes in interest rates relates to borrowings from financial institutions. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to borrowings from banks. Refer note 18 of financial statements.

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Fixed Rate Instruments			
Financial Liabilities	-	1,979.50	-
Variable Rate Instruments			
Financial Liabilities	1,294.79	6,952.97	1,691.61

Interest rate sensitivity – fixed rates

The Company's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity – variable rates

	Profit or loss	
	100 bps increase	100 bps decrease
31st March, 2023		
Variable-rate borrowings		
Borrowings	(7.19)	7.19
31st March, 2022		
Variable-rate borrowings		
Borrowings	(2.72)	2.72
01st April, 2022		
Variable-rate borrowings		
Borrowings	(0.25)	0.25

C. MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Company adopts cash and carry terms for a majority of its Sales revenue, thus eliminating any component of risk. Further customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

There are no receivables for more than 10% from each customer.

Other financial assets

The Company maintains exposure in cash and cash equivalents, money market liquid mutual funds with financial institutions. The Company has set counter-party limits based on multiple factors including financial position, credit rating, etc.

The Company's maximum exposure to credit risk as at 31st March, 2023 and 31 March 2022 is the carrying value of each class of financial assets.

(All amounts in ₹ lakhs, unless otherwise stated)

37. EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

I. Defined contribution plans

Amount towards Defined contribution plan have been recognised under "Contribution to Provident and Other funds" in Note 29 of Standalone Statement of Profit and Loss. The Company has made contribution to provident fund and other funds of ₹ 35.96 lakhs (31st March, 2022 : ₹ 19.14 lakhs). Further Company has contributed in ESIC of ₹ 2.22 lakhs (31st March, 2022 : ₹ 2.10 Lakhs)

II. Defined benefit plans

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund and decides its contribution. The Company aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term.

A. Balance Sheet

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

	Retirement Benefit Plans		
	As at 31st March, 2023	As at 31st March, 2022	As at 01st April 2021
Present Value of Obligation	84.80	48.96	31.16
Fair Value of Plan Assets	(17.14)	(17.14)	(14.70)
(Asset)/Liability recognised in the Balance Sheet	**67.66**	**31.82**	**16.46**
Funded plans in deficit:			
Present Value of Obligation	84.80	48.96	31.16
Fair Value of Plan Assets	(17.14)	(17.14)	(14.70)
(Asset)/Liability recognised in the Balance Sheet	**67.66**	31.82	16.46

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

	Plan Assets	Plan Obligation	Total
As at 01st April, 2021	14.70	31.16	16.46
Current service cost	-	16.04	16.04
Employee contributions	1.48	-	(1.48)
Interest cost	-	3.04	3.04
Excess of interest on plan assets over actual return	(0.04)	-	0.04
Interest income	1.06	-	(1.06)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(6.65)	(6.65)
Actuarial (gain)/loss arising from changes in financial assumptions	-	6.43	6.43
Actuarial (gain)/loss arising from experience adjustments	-	(1.00)	(1.00)
Benefit payments	(0.06)	(0.06)	-
As at 31st March, 2022	**17.14**	**48.96**	**31.81**
Additions due to business combination			
Current service cost	-	24.88	24.88
Interest cost	-	5.37	5.37
Excess of interest on plan assets over actual return	(1.15)	-	(1.15)
Interest income	1.15	-	1.15
Actuarial (gain)/loss arising from changes in financial assumptions	-	(2.04)	(2.04)
Actuarial (gain)/loss arising from experience adjustments	-	7.63	7.63
As at 31st March, 2023	**17.14**	**84.80**	**67.65**

Notes
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(All amounts in ₹ lakhs, unless otherwise stated)

C. Statement of Profit and Loss

The charge to the Standalone Statement of Profit and Loss comprises:

	As at 31st March, 2023	As at 31st March, 2022
Employee Benefit Expense*:	24.88	16.04
Finance costs * :		
Interest cost	5.37	3.04
Interest income	(1.15)	(1.06)
Net impact on profit (before tax)	**4.22**	**1.98**
Remeasurement of the net defined benefit plans:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	(6.65)
Actuarial (gains)/losses arising from changes in financial assumptions	(2.04)	6.43
Actuarial (gains)/losses arising from experience adjustments	7.62	(1.00)
Excess of interest on plan assets over actual return	1.15	0.04
Net impact on other comprehensive income (before tax)	**6.73**	**(1.18)**

* Service cost and Finance cost excludes charges towards Officer's Pension and Provident Fund.

D. Assets

The fair value of plan assets at the Balance Sheet date for defined benefit plans are as follows:

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Investments Funds	17.14	17.14	14.70

E. Assumptions

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Discount rate (per annum)	7.20%	6.70%	6.90%
Salary Escalation Rate (per annum)	13.00%	13.00%	10.00%

g. Sensitivity analysis

Sensitivity analysis indicates the effects of reasonable changes in certain significant assumptions on the outcome of the present value of obligation. Sensitivity analysis is done by increasing / decreasing one parameter at a time (while keeping all other parameters constant) and studying its impact.

	Effect on gratuity obligation		
Change in assumptions	**31st March, 2023**	**31st March, 2022**	**01st April, 2021**
Discount rate			
Increase by 1%	-4.80%	-4.80%	-6.70%
Decrease by 1%	5.20%	5.30%	7.60%
Salary escalation rate			
Increase by 1%	4.20%	4.40%	6.30%
Decrease by 1%	-4.00%	-4.10%	-5.90%
Rate of Employee Turnover			
Increase by 1%	-4.40%	-4.50%	-2.80%
Decrease by 1%	5.00%	5.20%	3.00%

h. The following are the expected future benefit payments for the defined benefit plan:

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Within the next 12 months (next annual reporting period)	11.15	6.49	2.75
Between 2 and 5 years	46.88	25.96	12.42
Beyond 5 years	71.60	40.62	41.47

Current Liability as at 31st March, 2023 is ₹ Nil (Previous year ₹ Nil) and Non-Current Liability is ₹ 67.65 lakhs (Previous year ₹ 31.81 lakhs). Discount rate considered for current year is 7.2% (previous year 6.7%).

(All amounts in ₹ lakhs, unless otherwise stated)

Other long term employee benefits

The Company provides for compensated absences to employees which can be carried forward to future years. Consequently based on Guidance on implementation of IND AS 19 "Employee Benefits" (IND AS-19), the Company has considered the benefits provided as other long term employee benefits. An amount of ₹ 33.35 lakhs (31st March, 2022: ₹ 6.82 lakhs), has been charged to the Statement of Profit and Loss for the year ended 31st March, 2023.

Termination benefits

The Company do not have any termination benefits as on 31st March, 2023 (31st March, 2022 : Nil).

38. SHARE BASED PAYMENTS

Equity Settled Share Based Payments

The members of the Company had approved ESOP Plan 2021 at the Annual General Meeting held on 09th July, 2021. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

This plan was amended and revised vide ESOP Plan 2021' at the Annual General Meeting held on 20th December, 2022. This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by Board of Directors from time to time, at the end of 4-year performance period. The performance measures under this scheme include period of service.

The Employee Stock Option Plan includes employees of Zywie Ventures Private Limited.

Scheme	Scheme Grant Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share	Weighted Average Exercise Price (₹) per share
Employee Stock option plan 2021	2021	2021-07-01	264	Graded Vesting over the period of 4 Years	To be determined by the Board	₹ 10 Per Share	₹ 10 Per Share
		2021-10-01	112				
		2022-02-01	31				
		2022-03-07	3				
		2022-04-01	3,278				
		2022-04-09	63				
		2022-08-01	181				
		2022-09-01	16				
		2022-09-02	19				
		2022-10-11	125				
		2022-11-15	10				
		2022-12-19	31				

			Number of share options				
Scheme	Scheme Grant Year	Financial year	Outstanding at the beginning of the year	Granted during the year	Forfeited / Cancelled during the year	Exercised during the year	Outstanding at the end of the year
Employee Stock option plan 2021	2021	2021-22	-	1,694	-	-	1,694
		2022-23	1,694	3,888	(1,448)	-	4,134

For the purpose of fair value of the share options at the grant date equity share value is considered.

The said ESOPs to be granted would be treated as equity settled share-based payment till the date of Modification i.e. 20th December, 2022 and cash settled share-based payment as at 31st March, 2023 and the Company is required to fair value the ESOPs at each financial reporting date using option pricing model.

The Monte Carlo Simulation valuation model has been used for computing the fair value for stock options considering the following inputs:

Particulars	As at 31st March, 2023
Weighted average share price/market price (₹ per share)	22,592
Exercise price (₹ per share)	10
Expected volatility	33.05%
Life of the options granted (vesting and exercise period) in years	3.1 Years
Expected dividends	-
Average risk-free interest rate	7.00%
Fair value of option (₹ per share)	32,186

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(All amounts in ₹ lakhs, unless otherwise stated)

Effect of share based payment transactions on the Balance Sheet:

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Employee stock option outstanding reserve	-	153.58	
Other non-current financial liabilities	668.02	-	-
Other current financial liabilities	-	-	-
Total carrying amount of liabilities	**668.02**	**-**	**-**

Effect of share based payment transactions on the Statement of Profit and Loss:

	As at 31st March, 2023	As at 31st March, 2022
Equity settled share based payments	-	153.58
Cash settled share based payments	750.43	-
Total expense on share based payments	**750.43**	**153.58**

Modifications to ESOPs:

1. The Company had in place a Employee Stock Option Plan 2021 (“ESOP Plan 2021”) under which certain units have been granted to eligible employees. Company has now amended and revised the plan to Employee Stock Option Plan 2021 (“ESOP Plan 2021”) with effect from 20th December, 2022. This scheme would replace the earlier ESOP Plan 2021 and employees will receive equivalent value of grants under the new ESOP plan in lieu of the former Employee stock options.
2. Below is the details of input used for computing incremental fair value per option on the date of modification i.e. 20th December, 2022.

Particulars	ESOP Plan 2021
Modification date	20th December, 2022
Weighted average share price/market price (₹ per share)	22,592
Exercise price (₹ per share)	10
Expected volatility	33.05%
Life of the options granted (vesting and exercise period) in years	3.1 Years
Expected dividends	-
Average risk-free interest rate	7.00%
Fair value of option (₹ per share)	32,186.37

39. RELATED PARTY TRANSACTIONS

Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for year ended 31st March, 2023.

A. Enterprises exercising control

(i) Ultimate Holding Company (effective from 10th January, 2023) — Unilever PLC

(ii) Holding Company (effective from 10th January, 2023) — Hindustan Unilever Limited

B. Enterprises where control exists

Subsidiary — Zenherb labs Private Limited

C. Other Related Parties with whom the Company had transactions during the year

(i) Key Management Personnel

(a) Executive directors — Mihir Gadani and Aarti Gill

(ii) Relative of Key management Personnel — Nikhil Gill and Veena Gadani

(All amounts in ₹ lakhs, unless otherwise stated)

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as at 31st March, 2023 31st March, 2022 and 01st April, 2021.

	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 01st April, 2021
Holding Company			
Issue of equity shares	10,236.07	-	-
Subsidiaries :			
Sale of finished goods / raw materials etc	138.99	1.59	
loan / Advances / Deposits taken		0.01	
Investment in subsidiary	-	1.00	-
Expenses shared by subsidiary companies	30.00	-	-
Outstanding as at the year end:			
– Trade receivables	66.10	-	-
– Investment in Subsidiary	-	1.00	-
– Other receivables	-	1.59	-
– Loans / advances / deposits taken		0.01	
Key Management Personnel			
Executive directors			
Remuneration	119.57	119.68	-
Outstanding as at the year end:	-	-	-
– Borrowing	-	1.00	-
– Remuneration payable	-	20.01	8.00
Relative of Key Management Personnel			
Remuneration (including Share based payment) Mr. Nikhil Gill	94.01	23.50	21.81
Rent Paid	5.65	5.40	5.40
Deposit paid	-	-	2.00
Outstanding as at the year end:	-	-	-
– Deposits (Receivable)	2.00	2.00	2.00
– Salary payable	-	1.45	1.50
– Rent Outstanding to be paid (Payable)	0.36	0.41	0.41
– Loans & advances	-	1.00	-

D. Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended 31st March, 2023, 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.

There have been no guarantees provided or received for any related party receivables or payables except as disclosed in Note 18(5) of financial statements.

For the year ended 31st March, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2022: ₹Nil). 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.

40. DISCLOSURE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

(a) Investments in subsidiary

During the previous year, the Company has made an investment in Zenherb Labs Private Limited with of ₹ 1 lakh. In current year, no investments are made.

(b) The Company has not given any guarantees or provided any security covered under Section 186 and accordingly, the disclosure requirements to that extent does not apply to the Company.

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to standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

41. RATIOS

No.	Name of the Ratio	Numerator	Denominator	FY 2022-23	FY 2021-22	% Variance	Reason for variance more than 25%
1.	Current Ratio (in times)	Current assets	Current liabilities	3.40	1.34	154.2%	Increase in Current ratio is on account of increase in bank balance owing to fund raise from Holding Company.
2.	Debt - Equity Ratio (in times)	Total debt	Equity	0.14	(1.62)	-108.4%	Ratio has improved in current year due to – Repayment of debt – Fund raise of ₹ 9,000 Lakhs approx. from Holding Company.
3.	Debt Service coverage ratio* (in times)	Earnings available for debt service	Total debt service	3.34	(0.20)	-1742.3%	Ratio has improved in current year due to reporting of profit due to Ind AS adjustment on account of gain on CCPS.
4.	Return on equity (in %)	Net profit - preferred dividends	Average shareholder equity	-101.2%	34.2%	-395.9%	The ratio has been impacted due to Ind As adjustments.
5.	Inventory Turnover Ratio (in times)	Sales	Average inventory	0.66	0.65	1.4%	No explanation required
6.	Trade receivables turnover ratio (in times)	Net sales	Average accounts receivables	2.37	9.08	-73.9%	Ratio has been impacted in current year due to outsourcing of factory operations resulting in high receivable at the end of the year.
7.	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	0.58	0.58	-0.5%	No explanation required
8.	Net capital turnover ratio (in times)	Net sales	Working Capital	1.13	3.36	-66.4%	Impacted due to increase in bank balance on account of funds received from Holding Company.
9.	Net profit ratio (in %)	Net profit	Net sales	58.9%	-50.3%	-217.1%	Profit has been generated in current financial year due to gain recorded on account of extinguishment of CCPS terms on account of acquisition by Holding Company.
10.	Return on capital employed (in %)	Earning before interest and taxes	Capital employed	63.5%	-45.4%	-240.0%	Profit has been generated in current financial year due to gain recorded on account of extinguishment of CCPS terms on account of acquisition by Holding Company.
11.	Return on investment (in %)	refer (k) below		NA	NA	NA	No explanation required

Definitions:

(a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

(b) Debt service = Interest & Lease Payments + Principal Repayments

(c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2

(d) Net credit sales = Net credit sales consist of gross credit sales minus sales return

(e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2

(f) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return

(g) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2

(h) Working capital = Current assets - Current liabilities.

(i) Earning before interest and taxes = Profit before exceptional items and tax + Finance costs - Other Income

(j) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

(k) Return on Investment

$$\frac{\{MV(T1) - MV(T0) - \text{Sum}\,[C(t)]\}}{\{MV(T0) + \text{Sum}\,[W(t) * C(t)]\}}$$

(All amounts in ₹ lakhs, unless otherwise stated)

where,

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as [T1 – t] / T1

42. During the year, the Company has granted 1,000 Employee Stock Options (ESOPs) of fair value of ₹ 199.66 lakhs on the grant date (01st April, 2022) to an employee belonging to the promoter group which was not exercised. This has resulted in contravention of the provisions of Section 62(1) of the Companies Act, 2013 ("the Act") read with 'Rule 12 – Issue of Employee Stock Options' of the Companies (Share Capital and Debentures) Rules, 2014 and the Employee Stock Option Plan, 2021 of the Company.

Pending assessment of penalties that may be levied pursuant to contravention of the above-mentioned provisions of the Act read with relevant rules thereunder, no adjustments have been made to the financial statements in respect of this matter.

43. The main business of the Company is sales of Health, nutrition & beauty products. All other activities of the Company are incidental to the main business. Further, the Company caters mainly to the needs of the domestic market. Accordingly, there are no separate reportable segments in terms of the Ind AS 108 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

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

45. DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

46. NO TRANSACTIONS TO REPORT AGAINST THE FOLLOWING DISCLOSURE REQUIREMENTS AS NOTIFIED BY MCA PURSUANT TO AMENDED SCHEDULE III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

- i. Wilful defaulter
- ii. Utilisation of borrowed funds & share premium
- iii. Discrepancy in utilization of borrowings
- iv. Current maturity of long term borrowings

47. Previous year's financial statements were audited by a firm of Chartered Accountants other than B S R & Co. LLP.

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 02nd June, 2023

For and on behalf of the Board of Directors of
Zywie Ventures Private Limited
CIN: U74900CH2013PTC034657

Mihir Gadani
Director
[DIN: 06436118]

Mumbai: 02nd June, 2023

Aarti Gill
Director
[DIN: 06625860]

Mumbai: 02nd June, 2023

Independent Auditor's Report

To the Members of Zywie Ventures Private Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the consolidated financial statements of Zywie Ventures Private Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March, 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31st March, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors on separate consolidated financial statements of such subsidiary as was audited by the other auditors, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

As fully explained in note 41 of the consolidated financial statements for the year ended 31st March, 2023, during the year, the Holding Company has granted 1,000 employee stock options of fair value of ₹ 196.66 lakhs on grant date (01st April, 2022) to an employee belonging to the promoter group under the Company's Employee Stock Option Plan, 2021 (ESOP) which have not been exercised as at the year-end. The said ESOPs granted were not in compliance with the provisions of Section 62(1) read with 'Rule 12 - Issue of Employee Stock Options' of the Companies (Share Capital and Debentures) Rules, 2014 and the ESOP Policy of the Holding Company. We are unable to comment on the impact of the above non-compliance on the consolidated financial statements of the Company as at and for the year ended 31st March, 2023.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditors referred to in paragraph (b) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's directors' report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate audit evidence on the implications of non-compliance with the provisions of the Act on the consolidated financial statements. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statement of such entity or business activity within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statement of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (b) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors 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.

Independent Auditor's Report

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

Other Matters

a. The consolidated financial statements of the Group for the year ended 31st March, 2022 were audited by the predecessor auditors who had expressed an unmodified opinion on 30th September, 2022.

b. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 98.91 lakhs as at 31st March, 2023, total revenues (before consolidation adjustments) of ₹ 93.72 lakhs and net cash flows (before consolidation adjustments) amounting to ₹ 10.93 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditorswhose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditors.

c. The consolidated financial statements of the Group for the year ended 31st March, 2023 of comparative information and the transition date opening balance sheet as at 01st April, 2021 included in these consolidated financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2022 dated 30th September, 2022 expressed an unmodified opinion on this consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

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

2A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of such subsidiary, as was audited by other auditors, as noted in the "Other Matters" paragraph (b), we report, to the extent applicable, that:

   a. We have sought and, except for the matter described in the Basis for Qualified Opinion paragraph obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors. Further in absence of confirmation from the relevant service provider, we are unable to comment if the back-up of the books of account and other relevant books and papers in electronic mode has been kept on servers physically located in India on a daily basis during 01st December, 2022 till 31st March, 2023 by the Holding Company.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company.

f. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

g. the qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph, paragraph 2A (b) above and Basis for Qualified Opinion in Annexure B with respect to adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Company.

h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph (b):

a. There were no pending litigations as at 31st March, 2023 which would impact the consolidated financial position of the Group.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31st March, 2023.

d (i) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditors of such subsidiary company that, to the best of their knowledge and belief, as disclosed in the Note 13 (3) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditors of such subsidiary company that, to the best of their knowledge and belief, as disclosed in the Note 13 (3) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary company incorporated in India have neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary company only with effect from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of such subsidiary company incorporated in India which was not audited by us, the Holding Company and such subsidiary company were private companies till 09th January, 2023. Accordingly, the provisions of Section 197 of the Act were not applicable till that period. The remuneration paid during the current period from 10th January, 2023 till 31st March, 2023 by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 23105149BGYFRI3530

Place: Mumbai
Date: 3rd June, 2023

Annexure A

to the Independent Auditor's Report on the Consolidated Financial Statements of Zywie Ventures Private Limited for the year ended 31st March, 2023

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

(xxi) According to the information and explanations given to us following companies incorporated in India and included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirements of the Guidance Note on CARO:

Sr. No.	Name of the entities	CIN	Holding Company	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	Zywie Ventures Private Limited	U74900CH2013 PTC034657	Holding Company	clause (vii)(a)

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

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 23105149BGYFRI3530

Place: Mumbai
Date: 03rd June, 2023

Annexure B

to the Independent Auditor's Report on the consolidated financial statements of Zywie Ventures Private Limited for the year ended 31st March, 2023

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

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

Qualified Opinion

In conjunction with our audit of the consolidated financial statements of Zywie Ventures Private Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March, 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion and based on the consideration of report of the other auditors on internal financial controls with reference to financial statements of subsidiary company, as was audited by the other auditors, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, maintained adequate internal financial controls with reference to financial statements as of 31st March, 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company and such subsidiary company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"), and except for the possible effects of the material weakness described below on the achievement of the objectives of the control criteria, the Holding Company and such subsidiary company's internal financial controls with reference to financial statements were operating effectively as of 31st March, 2023.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the consolidated financial statements of the Group for the year ended 31st March, 2023, and the material weakness has affected our opinion on the consolidated financial statements of the Group and we have issued a qualified opinion on the consolidated financial statements.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Group's internal financial controls with reference to financial statements as at 31st March, 2023:

The Holding Company's internal financial controls in relation to grant of employee stock options in compliance with the applicable laws and regulations were not operating effectively which has resulted in contravention of the provisions of Section 62(1) of the Companies Act, 2013 read with 'Rule 12 - Issue of Employee Stock Options' of the Companies (Share Capital and Debentures) Rules, 2014.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of such subsidiary company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of this matter.

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

Aniruddha Godbole
Partner
Membership No. 105149
ICAI UDIN: 23105149BGYFRI3530

Place: Mumbai
Date: 03rd June, 2023

Consolidated Balance Sheet
as at 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
ASSETS				
Non-current assets				
Property, plant and equipment	4	438.58	570.18	580.59
Intangible assets under development	5	32.65	77.06	-
Other intangible assets	5	97.62	60.58	21.72
Financial assets				
Other financial assets	6	497.69	395.82	51.33
Deferred tax Assets (Net)	7	431.79	54.58	8.78
Other tax assets (Net)	7	77.69	247.37	167.08
Other non-current assets	8	0.25	0.25	0.25
Total - Non-current assets (A)		**1,576.27**	**1,405.84**	**829.75**
Current assets				
Inventories	9	1,020.75	2,623.99	861.40
Financial assets				
Trade receivables	10	1,739.69	310.28	369.68
Cash and cash equivalents	11	23.28	1,482.42	8,312.62
Bank balances other than cash and cash equivalents mentioned above	12	8,182.66	7,977.66	2,888.30
Loans	13	2.25	5.25	-
Other financial assets	6	2.91	3.07	2.75
Other current assets	14	1,602.32	2,155.48	1,180.24
Total - Current assets (B)		**12,573.86**	**14,558.15**	**13,614.99**
TOTAL ASSETS [(A) + (B)]		**14,150.13**	**15,963.99**	**14,444.74**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	22.28	10.03	10.03
Instruments entirely equity in nature	15	27.08	-	-
Other equity	16	9,432.99	(21,210.70)	(15,150.53)
Total - Equity (A)		**9,482.35**	**(21,200.67)**	**(15,140.50)**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	-	26,015.38	25,415.38
Lease Liabilities	18	167.62	238.97	316.41
Other Financial Liabilities	19	668.02	-	-
Provisions	20	67.66	31.82	16.46
Total - Non-current liabilities (B)		**903.30**	**26,286.17**	**25,748.25**
Current liabilities				
Financial liabilities				
Borrowings	17	1,295.80	8,332.97	1,691.61
Lease Liabilities	18	145.47	139.61	127.68
Trade Payables	21			
Total outstanding dues of micro and small enterprises		635.50	265.71	231.83
Total outstanding dues of creditors other than micro and small enterprises		1,459.10	1,785.00	1,628.30
Other financial liabilities	19	33.53	131.71	67.28
Other current liabilities	22	112.16	181.75	25.08
Provisions	20	82.92	41.74	65.21
Total - Current liabilities (C)		**3,764.48**	**10,878.49**	**3,836.99**
TOTAL EQUITY AND LIABILITIES [(A) + (B) + (C)]		**14,150.13**	**15,963.99**	**14,444.74**
Basis of preparation, measurement and significant accounting policies	2			
Contingent liabilities and commitments	33			

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements.

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 02nd June, 2023

For and on behalf of the Board of Directors of Zywie Ventures Private Limited
CIN: U74900CH2013PTC034657

Mihir Gadani
Director
[DIN: 06436118]

Mumbai: 02nd June, 2023

Aarti Gill
Director
[DIN: 06625860]

Mumbai: 02nd June, 2023

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2023	Year ended 31st March, 2022
INCOME			
Revenue from operations	23	9,932.23	12,348.07
Other income	24	10,012.13	397.00
Total Income		**19,944.36**	**12,745.07**
EXPENSES			
Cost of materials consumed	25	2,924.24	4,174.41
Purchase of Stock-in-trade	26	840.37	1,588.95
Changes in inventories of finished goods and stock in trade	27	1,005.16	(1,212.93)
Employee benefit expenses	28	2,652.46	1,372.79
Finance cost	29	719.83	272.20
Depreciation and amortisation expense	30	201.73	152.78
Other expenses	31	6,145.50	12,657.22
Total Expenses		**14,489.29**	**19,005.42**
Profit before exceptional items and tax		**5,455.07**	**(6,260.35)**
Exceptional items (net)		-	-
Profit before tax		**5,455.07**	**(6,260.35)**
Tax expense			
Current tax	7	-	-
Deferred tax	7	(375.62)	(46.00)
Profit for the year (A)		**5,830.69**	**(6,214.35)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit and loss account			
Re-measurement loss/(gains) on defined benefit plans		6.73	(1.18)
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Re-measurement loss/(gains) on defined benefit plans	7	(1.69)	0.30
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (B)		**5.04**	**(0.88)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		**5,825.65**	**(6,213.47)**
Earnings per equity share (in ₹) of face value of ₹ 10 each	32		
Basic		3,951.54	(5,250.51)
Diluted		(2,437.74)	(5,250.51)

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements.

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 02nd June, 2023

For and on behalf of the Board of Directors of
Zywie Ventures Private Limited
CIN: U74900CH2013PTC034657

Mihir Gadani
Director
[DIN: 06436118]

Mumbai: 02nd June, 2023

Aarti Gill
Director
[DIN: 06625860]

Mumbai: 02nd June, 2023

Consolidated Statement of Changes in Equity
for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Numbers	Amount
At 1st April, 2022	**100,329**	**10.03**
Changes in equity share capital due to prior period errors	-	-
Restated balance at 1st April, 2022	**100,329**	**10.03**
Changes in equity share capital during the year	122,512	12.25
At 31st March, 2023	**222,841**	**22.28**
At 1st April, 2021	**100,329**	**10.03**
Changes in equity share capital due to prior period errors	-	-
Restated balance at 1st April, 2021	**100,329**	**10.03**
Changes in equity share capital during the year	-	-
At 31st March, 2022	**100,329**	**10.03**

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE
(i) Preference Share Capital

	Series A		Series B		Series C	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
At 1st April, 2022	-	-	-	-	-	-
Changes in equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance at 1st April, 2022	-	-	-	-	-	-
Changes in the instruments entirely equity in nature during the year (Refer note 15A)	27,085	27.09	-	-	-	-
At 31st March, 2023	**27,085**	**27.09**	-	-	-	-
At 1st April, 2021		-	-	-	-	-
Changes in the instruments entirely equity in nature during the year (Refer note 15A)		-	-	-	-	-
Restated balance at 1st April, 2021		-	-	-	-	-
Addition during the year		-	-	-	-	-
At 31st March, 2022		-	-	-	-	-

Note: 0.00 represents amounts that are below the rounding off norms followed by the Group.

Consolidated Statement of Changes in Equity
for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

C. OTHER EQUITY

Particulars	Equity component of compound financial instruments	Reserve & Surplus			Total other equity
		Securities Premium	Employee Stock Options Outstanding Account	Retained earnings	
Balances as at 01st April, 2021 (A)	**-**	**-**	**-**	**(15,150.53)**	**(15,150.53)**
Loss for the year	-	-	-	(6,214.35)	(6,214.35)
Loss before acquisition of subsidiary	-	-	-	(0.28)	(0.28)
Other comprehensive income					
Re-measurement Gain/(loss) of defined benefit plans, net of tax	-	-	-	0.88	0.88
Total comprehensive income (B)	**-**	**-**	**-**	**(6,213.75)**	**(6,213.75)**
Transaction with owners of the company					
ESOP issued during the year	-	-	153.58	-	153.58
CCPS classified as compound financial instrument during the year	*	-	-	-	-
Total Transactions with the owners of the Company (C)	**-**	**-**	**153.58**	**-**	**153.58**
Balances as at 31st March, 2022	**-**	**-**	**153.58**	**(21,364.28)**	**(21,210.70)**
Balances as at 01st April, 2022 (A)	**-**	**-**	**153.58**	**(21,364.28)**	**(21,210.70)**
Profit for the year	-	-	-	5,830.69	5,830.69
Other comprehensive income					
Re-measurement Gain/(loss) of defined benefit plans, net of tax	-	-	-	(5.04)	(5.04)
Total comprehensive income (B)	**-**	**-**	**-**	**5,825.65**	**5,825.65**
Transactions with owners of the company					
Shares issued during the year at premium	-	10,230.88	-	-	10,230.88
Shares converted to from Preference shares to Equity Shares	-	23.64	-	-	23.64
Issue of bonus shares	-	(1.80)	-	-	(1.80)
Share Issue Expense	-	(1,087.82)	-	-	(1,087.82)
Share Forfeited during the year	*	-	-	-	-
Equity Share and CCPS reclassified as Equity from compound financial instrument during the year	-	15,806.72	-	-	15,806.72
Employee stock option plan reclassified from equity to cash settled	-	-	(153.58)	-	(153.58)
Total Transactions with the owners of the Company (C)	**-**	**24,971.62**	**(153.58)**	**-**	**24,818.04**
Balances as at 31st March, 2023 (A + B + C)	**-**	**24,971.62**	**-**	**(15,538.63)**	**9,432.99**

* represents amounts that are below the rounding off norms followed by the Group.

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements.

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 02nd June, 2023

For and on behalf of the Board of Directors of
Zywie Ventures Private Limited
CIN: U74900CH2013PTC034657

Mihir Gadani
Director
[DIN: 06436118]

Mumbai: 02nd June, 2023

Aarti Gill
Director
[DIN: 06625860]

Mumbai: 02nd June, 2023

Consolidated statement of Cash Flows
for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

		Year ended 31st March, 2023	Year ended 31st March, 2022
A	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Profit/(Loss) before tax	5,455.07	(6,260.35)
	Adjustments for:		
	Depreciation and Amortisation expense	201.73	152.78
	Share-based payment expense	750.43	153.58
	Interest on fixed deposits with banks	(439.91)	(391.02)
	Interest on income tax refund	(13.78)	-
	Interest income on security deposits	(3.17)	(3.02)
	(Gains) on fair value changes on financial liabilities	(9,552.70)	-
	Loss on modification of leases	0.09	-
	Interest expense on borrowings	577.36	187.00
	Interest on lease liability	55.48	62.17
	Interest expenses - others	86.99	23.03
	Provision for slow and non moving inventories	20.51	-
	Allowance for expected credit loss	17.11	0.70
	Cash outflows from operations before working capital changes	**(2,844.79)**	**(6,075.13)**
	Adjustments for:		
	(Increase)/decrease in Non-Current Assets	(0.53)	1.82
	(Increase)/decrease in Current Assets	(890.20)	(922.11)
	(Increase)/decrease in Inventories	1,582.73	(1,762.59)
	Increase/(decrease) in Non-Current Liabilities	(200.15)	15.35
	Increase/(decrease) in Current Liabilities	(89.31)	389.03
	Cash flows from operating activities	**(2,442.25)**	**(8,353.63)**
	Refund/(payment) of direct taxes (net)	183.46	(80.29)
	Net cash flows (used in) operating activities - [A]	**(2,258.79)**	**(8,433.92)**
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment	(19.39)	(136.92)
	Purchase of Intangible Asset	(25.73)	(121.38)
	Investment in fixed deposits	-	(5,395.74)
	Proceeds from fixed deposits	35.69	-
	Interest Income	101.05	354.11
	Net cash flows generated from / (used in) investing activities - [B]	**91.62**	**(5,299.93)**

Consolidated Statement of Cash Flows
for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

		Year ended 31st March, 2023	Year ended 31st March, 2022
C	**CASH FLOWS FROM FINANCING ACTIVITIES:**		
	Repayment of lease liability	(138.69)	(127.68)
	Proceeds from issue of debentures	500.00	2,000.00
	Repayment of debentures	(2,500.00)	-
	(Repayment) / Proceeds from short term borrowings	(40.50)	41.51
	Share issue expenses	(1,087.82)	-
	Proceeds from issue of shares	10,236.07	0.00
	Interest paid on borrowings	(643.85)	(230.54)
	Net cash flow generated from financing activities - [C]	**6,325.21**	**1,683.29**
	Increase / decrease in cash and cash equivalents (A+B+C)	**4,158.04**	**(12,050.56)**
	Add: Cash and cash equivalents at the beginning of the year	(5,429.55)	6,621.01
	Cash and cash equivalents at the end of the year	**(1,271.51)**	**(5,429.55)**
	Components of cash and cash equivalents		
	Cash on hand	3.00	0.37
	Balances with banks		
	- in Current accounts	20.28	1,482.05
	Total Cash and cash equivalents (refer note 11)	**23.28**	**1,482.42**
	Less : Secured, Bank overdrafts (refer note 17)	(1,294.79)	(6,911.97)
	Cash and cash equivalents for statement of cashflow	**(1,271.51)**	**(5,429.55)**

Note:

The statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) on Statement of Cash Flows notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

Changes in liabilities arising from financing activities

Particulars	01st April, 2022	Cash flows	Non-cash movement	31st March, 2023
Borrowings – NCD	1,979.50	(2,000.00)	20.50	-
Borrowings – cash credit	40.00	(40.00)		-
Borrowings – Related Party Loan	1.51	(0.50)	-	1.01
Lease Liability	378.58	(138.69)	73.20	313.09
Total	**2,399.59**	**(2,179.19)**	**93.70**	**314.10**

Particulars	01st April, 2021	Cash flows	Non-cash movement	31st March, 2022
Borrowings – NCD	-	2,000.00	(20.50)	1,979.50
Borrowings – cash credit	-	40.00		40.00
Borrowings – Related Party Loan	-	1.51	-	1.51
Lease Liability	444.09	(127.68)	62.17	378.58
Total	**444.09**	**1,913.83**	**41.67**	**2,399.59**

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements.

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 02nd June, 2023

For and on behalf of the Board of Directors of
Zywie Ventures Private Limited
CIN: U74900CH2013PTC034657

Mihir Gadani
Director
[DIN: 06436118]

Mumbai: 02nd June, 2023

Aarti Gill
Director
[DIN: 06625860]

Mumbai: 02nd June, 2023

Notes

to the financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

1. GROUP INFORMATION

The Consolidated Financial Statements comprises of Financial Statements of Zywie Ventures Private Limited ("the Holding Company" or "the Company") and its subsidiary Zenherb Labs Private Limited (collectively referred to as "the Group") for the year ended 31st March, 2023. The Holding Company has become subsidiary of Hindustan Unilever Limited with effect from 10th January, 2023. Further, OZiva shall be treated as deemed public company owing to being a subsidiary of Public Limited Company.

The Group is primarily engaged in the business of manufacturing and selling of health and nutrition products under the brand name "OZiva".

The Holding Company and its subsidiary considered in these consolidated financial statements.

(a) Subsidiary

Name of the Company	Country of incorporation	Principal activities	Proportion (%) of equity interest As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Zenherb Labs Private Limited	India	FMGC export business	100	100	-

(b) Share of Entities in Group

Name of the Entity	As at 31st March, 2023 Net Assets (Total Assets - Total Liabilities) As % of consolidated net assets	Amount	Share in Sales of Products As % of consolidated sale of products and services	Amount	For the year ended 31st March, 2023 Share in Profit and Loss As % of consolidated profit and loss	Amount	Share in Other Comprehensive Income As % of consolidated other comprehensive income	Amount	Share in Total Comprehensive Income As % of consolidated total comprehensive income	Amount
Parent										
Zywie Ventures Private Limited	101%	9,548.53	100.50%	9,953.49	101.13%	5,896.60	100.05%	5.04	101.13%	5,891.56
Subsidiaries										
Zenherb Labs Private Limited	-0.39%	(37.38)	0.90%	89.29	-0.65%	(38.15)	0.00%	0	-0.65%	(38.15)
Inter-company eliminations	-0.30%	(28.80)	-1.40%	(138.99)	-0.48%	(27.76)	-0.05%	(0.00)	-0.48%	(27.76)
Total	**100%**	**9,482.35**	**100.00%**	**9,903.79**	**100.00%**	**5,830.69**	**100.00%**	**5.04**	**100.00%**	**5,825.65**

Name of the Entity	As at 31st March, 2022 Net Assets (Total Assets - Total Liabilities) As % of consolidated net assets	Amount	Share in Sales of Products As % of consolidated sale of products and services	Amount	For the year ended 31st March, 2022 Share in Profit and Loss As % of consolidated profit and loss	Amount	Share in Other Comprehensive Income As % of consolidated other comprehensive income	Amount	Share in Total Comprehensive Income As % of consolidated total comprehensive income	Amount
Parent										
Zywie Ventures Private Limited	100%	(21,200.40)	100.00%	12,292.91	100.00%	(6,214.36)	99.64%	-0.88	100.00%	(6,213.48)
Subsidiaries										
Zenherb Labs Private Limited	0.00%	0.77	0.01%	1.69	0.00%	0.04	0.00%	0	0.00%	0.04
Inter-company eliminations	0.00%	(1.04)	-0.01%	(1.35)	0.00%	(0.03)	0.36%	(0.00)	0.00%	(0.03)
Total	**100%**	**(21,200.67)**	**100%**	**12,293.25**	**100.00%**	**(6,214.35)**	**100%**	**(0.88)**	**100%**	**(6,213.47)**

(All amounts in ₹ lakhs, unless otherwise stated)

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Statement of compliance

The consolidated financial statements of the entity have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Companies Act.

These consolidated financial statements are approved for issue by the Holding Company's Board of Directors on 02nd June, 2023.

These Consolidated financial statements for the year ended 31st March, 2023 are the first the Group has prepared under Ind AS. For all periods up to and including the year ended 31st March, 2022, the Holding Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2022 and the opening Balance Sheet as at 1st April, 2021 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 3.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies adopted in the preparation of consolidated financial statements are consistent for all the periods presented in the financials statement, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2021 being the 'date of transition to Ind AS'.

All assets and liabilities have been classified as current or non-current as per the Group Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Subsidiary are entities where the group exercise or controls more than one-half of its total share capital. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The financial statements of the Holding Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/losses, unless cost/revenue cannot be recovered.

The excess of cost to the Group of its investment in subsidiary, on the acquisition dates over and above the Group's share of equity in the subsidiary, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiary as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiary is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiary consists of:

a. The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

b. The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiary are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.

The consolidated financial statements are presented in Indian National Rupee (₹), the functional currency of the Company. Items included in the consolidated financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the consolidated statement of profit and loss.

Notes

to consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

The Group has decided to round off the figures to the nearest lakhs. Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes to these financial statements.

The Consolidated Financial statements of the Group for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 02nd June, 2023.

(b) Measurement

The consolidated financial statements have been prepared and presented under the historical cost convention, except for the following items, which are measured at fair value:

- Financial assets and financial liabilities – Compulsory Convertible Preference Shares
- Share based payments for cash settled
- Net defined benefit (asset)/liability

2.2 Key accounting estimates and judgements

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

a. Measurement of defined benefit obligations – The liabilities of the Group arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions. Refer note 36 for significant assumptions used.

b. Recognition of deferred tax assets – 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 together with future tax planning strategies. Refer Note 7 for recognition of deferred tax assets.

c. Measurement of Lease liabilities – The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Group uses significant judgement in assessing the applicable discount rate. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates (IBR). The IBR is the rate of interest that the Group pays to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Refer note 18.

d. Share-based payments – Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and making assumptions about them. Refer note 37 for Share based payments

e. Compulsorily Convertible Preference Shares – To determine the fair value of compound financial instruments , the Holding Company used a valuation technique in which all significant inputs were based management estimated cash flows.

2.3 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 31st March, 2023, has made the following amendments to Ind AS which are effective 1st April, 2023:

(i) Amendments to Ind AS 1 Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.

(ii) Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.

(iii) Amendments Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its consolidated financial statements.

(All amounts in ₹ lakhs, unless otherwise stated)

2.4 Summary of Significant Accounting Policies

The significant accounting policies used in preparation of the consolidated financial statements have been included in the relevant notes to the consolidated financial statements.

3. FIRST TIME ADOPTION OF IND AS

The Group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs for the year ended 31st March, 2023, with a transition date of 1st April, 2021. For all periods upto and including the year ended 31st March, 2022 , the Group has prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Group has prepared financial statements which comply with Ind AS for year ended 31st March, 2023, together with the comparative information as at and for the year ended 31st March, 2022 and the opening Ind AS Balance Sheet as at 1st April, 2021 'the date of transition to Ind AS'.

In preparing these Ind AS financial statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the consolidated financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Group in restating its consolidated financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2021 and the financial statements as at and for the year ended 31st March, 2022.

A. Optional Exemptions from retrospective application

a. Deemed cost for property, plant and equipment and intangible assets

The Group has elected to measure all its property, plant and equipment and intangible assets at the previous GAAP carrying amount i.e 31st March, 2021 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e 1st April, 2021.

b. Leases

The Group has applied the exemption pertaining to evaluation of whether an arrangement contains a Lease and has assessed all arrangements based upon the conditions in place as at the date of transition.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 01st April, 2021. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the financial statements immediately before 01st April, 2021.

B. Mandatory Exceptions from retrospective application

a. Estimates:

On assessment of the estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date.

b. Classification and measurement of financial assets

Ind AS 101 requires entity to assess the classification and measurement of financial assets on the basis of facts and circumstances existed at the date of transition to Ind AS. Accordingly classification and measurement of financial assets have been made on the basis of facts and circumstances that exist at the date of transition to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Equity as at 01st April, 2021 and as at 31st March, 2022

II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2022

III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2022

Previous GAAP figures have been reclassified/ regrouped wherever necessary to conform with financial statements prepared under Ind AS.

Notes
to consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

I. Reconciliation of Equity as at 1st April, 2021 and as at 31st March, 2022 :

Particulars	Notes	As at 1st April 2021			As at 31st March, 2022		
		Previous GAAP	Effect of transition to Ind AS	Balance sheet	Previous GAAP	Effect of transition to Ind AS	Balance sheet
ASSETS							
Non-current assets							
Property, plant and equipment	[c]	121.99	458.60	580.59	213.77	356.41	570.18
Intangible assets		21.72	-	21.72	60.58	-	60.58
Intangible assets under development		-	-	-	77.06	-	77.06
Financial assets		-	-	-	-	-	
Other financial assets	[d]	65.94	(14.61)	51.33	407.41	(11.59)	395.82
Deferred tax asset(Net)	[a] [b] [c] [d]	9.72	(0.94)	8.78	11.91	42.67	54.58
Other tax assets (Net)		167.08	-	167.08	247.37	-	247.37
Other non-current assets	[d]	0.25	-	0.25	0.25	-	0.25
Total non-current assets		**386.70**	**443.05**	**829.75**	**1,018.35**	**387.49**	**1,405.84**
Current assets							
Inventories		861.40	-	861.40	2,607.48	16.51	2,623.99
Financial assets		-	-		-	-	
Trade receivables		369.68	-	369.68	357.47	(47.19)	310.28
Cash and cash equivalents		8,312.62	-	8,312.62	1,482.42	-	1,482.42
Bank balances other than cash and cash equivalents mentioned above		2,888.30	-	2,888.30	7,977.66	-	7,977.66
Loans		-	-	-	5.25	-	5.25
Other financial assets		2.75	-	2.75	3.07	-	3.07
Other current assets		1,180.24	-	1,180.24	2,155.48	-	2,155.48
Total current assets		**13,614.99**	**-**	**13,614.99**	**14,588.82**	**(30.68)**	**14,558.15**
Total assets		**14,001.69**	**443.05**	**14,444.73**	**15,607.18**	**356.81**	**15,963.99**
Equity and liabilities		-					
Equity		-					
Equity share capital	[a]	66.00	(55.97)	10.03	66.00	(55.97)	10.03
Other equity	[a] [b] [c]	10,206.10	(25,356.63)	(15,150.53)	4,132.19	(25,342.89)	(21,210.70)
Total equity		**10,272.10**	**(25,412.60)**	**(15,140.50)**	**4,198.19**	**(25,398.86)**	**(21,200.67)**
Non-current liabilities							
Financial liabilities							
Borrowings		-	25,415.38	25,415.38	600.00	25,415.38	26,015.38
Lease liabilities	[c]	3.82	312.59	316.41	17.79	221.18	238.97
Provisions		16.46	-	16.46	31.82	-	31.82
Total non-current liabilities		**20.28**	**25,727.97**	**25,748.25**	**649.61**	**25,636.56**	**26,286.17**
Current liabilities:					-		
Financial Liabilities		-	-		-		
Borrowings		1,691.61	-	1,691.61	8,353.47	(20.50)	8,332.97
Lease liabilities		-	127.68	127.68	-	139.61	139.61
Trade payables					-	-	
– Total outstanding dues of micro enterprises and small enterprises		231.83	-	231.83	265.71	-	265.71
– Total outstanding dues of trade payables other than micro enterprises and small enterprises		1,628.30	-	1,628.30	1,785.00	-	1,785.00
Other current financial liabilities		67.28	-	67.28	131.71	-	131.71
Provisions		65.21	-	65.21	41.74	-	41.74
Other current liabilities		25.08	-	25.08	181.75	-	181.75
Total current liabilities		**3,709.31**	**127.68**	**3,836.99**	**10,759.38**	**119.11**	**10,878.49**
Total liabilities		**3,729.59**	**25,855.65**	**29,585.24**	**11,408.99**	**25,755.67**	**37,164.66**
Total Equity and Liabilities		**14,001.69**	**443.05**	**14,444.74**	**15,607.18**	**356.81**	**15,963.99**

Note: Numbers under IGAAP have been regrouped/reclassified, wherever necessary, to conform with the classification under Ind AS in current year.

(All amounts in ₹ lakhs, unless otherwise stated)

II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2022

	Notes	For the Year ended 31st March, 2022		
		Previous GAAP	**Effect of transition to**	**Ind AS Balance sheet**
Income				
Revenue from operations	[e]	12,471.69	(123.62)	12,348.07
Other income	[d]	393.98	3.02	397.00
Total Income		**12,865.67**	**(120.60)**	**12,745.07**
Expenses				
Cost of materials consumed		4,174.41	-	4,174.41
Purchase of Stock-in-trade		1,588.95	-	1,588.95
Changes in inventories of finished goods		(1,196.42)	(16.51)	(1,212.93)
Employee benefit expense	[b]	1,218.03	154.76	1,372.79
Finance costs	[a] [c]	230.52	41.67	272.20
Depreciation and amortization expense	[c] [d]	50.59	102.19	152.78
Other expenses	[c] [e]	12,875.31	(218.09)	12,657.22
Total Expenses		**18,941.40**	**64.02**	**19,005.42**
Profit before exceptional item and tax		**(6,075.72)**	**(184.62)**	**(6,260.35)**
Exceptional Items				
Profit before tax		(6,075.72)	(184.62)	(6,260.35)
Tax expense / (benefit) :				
– Current tax		-	-	-
– Deferred tax charge/ (credit)	[a] [b] [c] [d]	(2.09)	(43.91)	(46.00)
– Tax expense relating to earlier years		-		
Profit for the year		**(6,073.64)**	**(140.71)**	**(6,214.35)**
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurements gains/(losses) of defined benefit plans	[f]	-	(1.18)	(1.18)
Income tax effect on above	[f]	-	0.30	0.30
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	(0.88)	(0.88)
Total Comprehensive Income for the year		**(6,073.64)**	**(139.83)**	**(6,213.47)**

Note: Numbers under IGAAP have been regrouped/reclassified, wherever necessary, to conform with the classification under Ind AS in current year.

III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2022

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

Notes to Reconcilliation of Other Equity as at 1st April, 2021 and 31st March, 2022 and statement of profit and loss for year ended 31st March, 2022

a. Other Non-Current Liabilities

Under Previous GAAP, Compulsory Convertible Preference Shares were recognised as equity on undiscounted basis. As per Ind AS, Compulsory Convertible Preference Shares are classified as Compound Financial Instrument and such instruments is required to be recognised as liability initially at fair value subsequently at Fair Value through Profit and loss (FVTPL). This led to a decrease in the value of equity and creation of non-current liability on the date of transition the difference between the equity and liability was adjusted against retained earnings. This increase/ decrease is recognised as fair value gain/loss in profit and loss statement.

Under Previous GAAP, Non-Convertible Debentures were recognised on undiscounted basis. Ind AS requires such liabilities to be recognised initially at fair value and subsequently at present value discounted value where the effect of time value of money is material. This led to a decrease in the value of non-current liabilities on the date of transition which was adjusted against retained earnings. Ind AS also provides that where discounting is used, the carrying amount of the liability increases in each period to reflect the passage of time. This increase is recognised as finance cost. The interest cost on unwinding of discount is recognised in the Statement of Profit and Loss under 'Finance costs' for the year ended 31st March, 2022.

Notes

to consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As at 1st April 2021	As at 31st March, 2022	For the Year ended 31st March, 2022
Equity:			
Equity Share Capital	2.62	2.62	
Preference Share Capital	53.35	53.35	
Other equity (Retained earnings)	14,303.10	14,262.10	
Other equity (Securities Premium)	11,056.32	11,056.32	
Assets:			
Deferred Tax Asset/(Liability)	-	-	
Liability:			
Other non-current liabilities	(25,415.39)	(25,374.39)	
(Profit)/Loss:			
Finance costs			(20.50)

b. Employee Stock Option Plan :

Under Previous GAAP, the intrinsic value of the employee stock option plan was recognised as an expense over the vesting period. Under Ind AS, the compensation cost of employee stock option plan is recognised based on the fair value of the options determined using an appropriate pricing model at the date of grant. The increase in employee compensation cost for the options as on the date of transition based on fair value method has been adjusted against retained earnings. The impact for the year ended 31st March, 2022 has been recognised in 'Employee benefits expenses' in the Statement of Profit and Loss.

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As at 1st April 2021	As at 31st March, 2022	For the Year ended 31st March, 2022
Equity:			
Other equity (Employee Stock Options Outstanding Account)		(153.58)	
Other equity (Retained earnings)		114.92	
Assets:			
Deferred Tax Asset/(Liability)		38.66	
(Profit)/Loss:			
Employee benefits expenses			153.58
Deferred Tax Expense/(Gains)			(38.66)

c. Right to Use of Assets(ROU) and Lease Liabilities (LL)

Under Previous GAAP lease rentals are accounted as Rent Expense. Under Ind AS, Right to use of asset and lease liability is recorded as per retrospective modified approach 2B wherein Right to use of asset is equal to the present value of future lease payments i.e. lease liability. The impact for the year ended 31st March, 2022 has been recognised in 'Finance Cost', 'Depreciation on leased asset' and 'Rent' in the Statement of Profit and Loss.

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As at 1st April 2021	As at 31st March, 2022	For the Year ended 31st March, 2022
Equity:			
Other Equity (Retain Earnings)	(2.86)	11.66	
Assets:			
Property, plant and equipment	458.60	345.21	
Deferred Tax Asset/(Liability)	(0.96)	3.92	
Liability:			
Lease Liability	(444.09)	(378.58)	
Lease Liability – Rent Equalisation Reserve	3.82	17.79	
Profit/(Loss):			
Finance Cost			62.17
Depreciation on leased asset			98.88
Rent			(141.66)
Deferred Tax			(4.88)

(All amounts in ₹ lakhs, unless otherwise stated)

d. Other Financial assets

Under Previous GAAP, Security Deposits were recognised on undiscounted basis. Ind AS requires such assets to be recognised at present value (discounted value) where the effect of time value of money is material. This led to a decrease in the value of non-current assets on the date of transition which was adjusted against retained earnings. Ind AS also provides that where discounting is used, the carrying amount of the assets increases in each period to reflect the passage of time. This increase is recognised as Other Income. The interest income on unwinding of discount is recognised in the Statement of Profit and Loss under 'Other Income' for the year ended 31st March, 2022.

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As at 1st April 2021	As at 31st March, 2022	For the Year ended 31st March, 2022
Equity:			
Other equity (Retained earnings)	0.07	0.29	
Assets:			
Other Financial assets	(14.61)	(11.59)	
Property, plant and equipment	14.51	11.20	
Deferred Tax Asset/(Liability)	0.02	0.10	
(Profit)/Loss:			
Depreciation and amortization expense			3.31
Other Income			(3.02)
Deferred Tax			(0.07)

e. Revenue from Sale of goods

Under Previous GAAP, revenue was recognised net of trade discounts and rebates. Under Ind AS, revenue is recognised upon delivery of the goods at the transaction price of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include rebates, price reductions, incentives given to customers, promotional couponing and slotting Fees. Slotting fees have been reclassified from 'advertising and sales promotion' within other expenses under Previous GAAP and netted from revenue under Ind AS.

The adjustment to revenue includes reversal of revenue in respect of goods invoiced but not delivered of ₹ 47.19 lakhs and in respect of netting off of discounts of ₹ 76.43 lakhs.

	Debit/(Credit) Balance Sheet		Debit/(Credit) Statement of profit and loss
	As at 1st April 2021	As at 31st March, 2022	For the Year ended 31st March, 2022
Equity:			
Other equity (Retained earnings)	-	30.67	-
Assets:			
Trade receivable	-	(47.19)	-
Inventory of finished goods	-	16.51	-
(Profit)/Loss:			
Revenue from operations	-	-	123.62
Other expenses	-	-	(76.43)
Changes in inventories of finished goods	-	-	(16.51)

f. Defined Benefit Plans

Actuarial gain/(loss) - Under Previous GAAP, actuarial gain/(loss) was recognised as employee benefit expenses in the Statement of Profit and Loss. Under Ind AS, the Company has recognised actuarial gain/(loss) on defined benefit plan in Other Comprehensive Income.

Notes
to consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT

	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2022
Owned Assets	169.98	213.77	121.99
Leased Assets	268.60	356.41	458.60
Total Property, plant and equipment	**438.58**	**570.18**	**580.59**

A. Owned Assets

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the consolidated statement of profit and loss during the year in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the consolidated statement of profit and loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. The useful life of major components of Property, Plant and Equipment is as follows:

Asset	Useful life*
Plant and Machinery	3 - 15 Years
Computers	3 Years
Furniture and fixtures	10 Years
Vehicles	10 Years
Office Equipment	5 Years

* In case of certain class of assets, the Group uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The exception are as under:

(All amounts in ₹ lakhs, unless otherwise stated)

a) Leasehold Improvement is amortised over the period of lease

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their carrying value and estimated net realizable value and are disclosed separately in the consolidated financial statements. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

	Plant and Equipment	Computers	Furniture and Fixtures	Vehicles	Office Equipment	Leasehold improvements	Total Property, plant and equipment
Gross block							
At 1st April, 2021 (Deemed Cost)	**27.13**	**35.56**	**1.16**	**14.61**	**10.59**	**32.94**	**121.99**
Additions	35.30	57.56	9.44	-	10.12	24.50	136.92
Disposals							-
At 1st April, 2022	**62.43**	**93.12**	**10.60**	**14.61**	**20.71**	**57.44**	**258.91**
Additions	6.67	11.30			1.42	-	19.39
Disposals	-	-	-	-	-	-	-
At 31st March, 2023	**69.10**	**104.42**	**10.60**	**14.61**	**22.13**	**57.44**	**278.30**
Accumulated depreciation							
At 1st April, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	10.83	21.49	0.77	1.89	3.54	6.62	45.14
On Disposals							-
At 1st April, 2022	**10.83**	**21.49**	**0.77**	**1.89**	**3.54**	**6.62**	**45.14**
Depreciation for the year	15.08	32.86	1.01	1.90	4.39	7.94	63.18
On Disposals							-
At 31st March, 2023	**25.91**	**54.35**	**1.78**	**3.79**	**7.93**	**14.56**	**108.32**
Net Block							
At 31st March, 2023	**43.19**	**50.07**	**8.82**	**10.82**	**14.20**	**42.88**	**169.98**
At 31st March, 2022	**51.60**	**71.63**	**9.83**	**12.72**	**17.17**	**50.82**	**213.77**
At 1st April, 2021	**27.13**	**35.56**	**1.16**	**14.61**	**10.59**	**32.94**	**121.99**

Notes:

1. The Group has not revalued any of its property, plant and equipment.
2. The Group has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e 31st March, 2021 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e 1st April, 2021.

Notes
to consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

B. Leased Assets

The Group's lease asset classes primarily consist of leases for Buildings. The Group assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

For arrangements entered into prior to 1st April, 2021, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

The right-of-use asset ("ROU") is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these, the Group recognises the lease payments as an operating expense.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease Liability and Right-of-Use Asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

	Total
Gross Block	
At 01st April, 2021	**458.60**
Additions	-
Disposals	-
At 01st April, 2022	**458.60**
Additions	18.52
Disposals	(7.85)
At 31st March, 2023	**469.27**
Accumulated Depreciation	
At 01st April, 2021	**-**
Depreciation for the year	102.19
On Disposals	-
At 01st April, 2022	**102.19**
Depreciation for the year	105.44
On Disposals	(6.96)
At 31st March, 2023	**200.67**
Net Block	
At 31st March, 2023	**268.60**
At 01st April, 2022	**356.41**
At 01st April, 2021	**458.60**

Notes: (a) The Group incurred ₹ 1.82 lakhs (March 2022 : ₹ 3.99 lakhs) for the year ended 31st March, 2023 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 140.51 lakhs (March 2022 : ₹ 131.67 lakhs) for the year ended 31st March, 2023, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹ 55.48 lakhs (March 2022 : ₹ 62.17 lakhs) for the year ended 31st March, 2023.

(All amounts in ₹ lakhs, unless otherwise stated)

5. INTANGIBLE ASSETS

	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2022
Intangible Assets	97.62	60.58	21.72
Intangible Asset under Development	32.65	77.06	-

Intangible assets purchased are initially measured at cost. Intangible Asset under development is stated at cost, net of accumulated impairment loss, if any. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in consolidated statement of profit or loss as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Estimated useful lives by major class of finite-life intangible assets are as follows:

Asset	Useful lives - Management estimates (years)
Trademark	10 Years
Software	3-5 Years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Trademarks and Software which are not ready for intended use as on the date of Balance Sheet are disclosed as "Intangible Asset under Development".

	Intangible assets		Intangible Asset under Development	Total
	Finite Life Intangible assets			
	Plant and Equipment	Computers		
Gross Carrying amount				
At 1st April, 2021 (Deemed Cost)	**4.89**	**16.83**	**-**	**21.72**
Additions	36.40	7.92	77.06	121.38
Disposals				-
At 1st April, 2022	**41.29**	**24.75**	**77.06**	**143.10**
Additions	4.24	65.90	18.65	88.79
Disposals				-
Capitalisation			(63.06)	(63.06)
At 31st March, 2023	**45.53**	**90.65**	**32.65**	**168.83**
Accumulated depreciation				
At 1st April, 2021	**-**	**-**	**-**	**-**
Amortization for the year	2.07	3.39		5.46
On Disposals				-
At 1st April, 2022	**2.07**	**3.39**	**-**	**5.46**
Amortization for the year	5.00	28.10		33.10
On Disposals				-
At 31st March, 2023	**7.07**	**31.49**	**-**	**38.56**
Net Book Value				
At 31st March, 2023	**38.46**	**59.16**	**32.65**	**130.27**
At 31st March, 2022	**39.22**	**21.36**	**77.06**	**137.64**
At 01st April, 2021	**4.89**	**16.83**	**-**	**21.72**

Notes:

1. The Group has elected to measure all its intangibles at the previous GAAP carrying amount i.e 31st March, 2021 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e 1st April, 2021.

Notes
to consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired .Intangible Under Development are subject to review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the consolidated statement of profit and loss.

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

Impairment on Finite intangible assets is tested at each Balance sheet date only if there is any impairment indicator.

No impairment was identified as at 31st March, 2023, 31st March, 2022 and 1st April, 2021.

Intangible Asset under Development (IAUD) Ageing Schedule

At 31st March, 2023

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	18.65	14.00	-	-	32.65
Projects temporarily suspended	-	-	-	-	-
Total	**18.65**	**14.00**	**-**	**-**	**32.65**

* There is no project under the intangibles for which timeline has been anticipated. It largely comprises of Trademarks and copyrights applications which are yet to be granted.

At 31st March, 2022

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	77.06	-	-	-	77.06
Projects temporarily suspended	-	-	-	-	-
Total	**77.06**	**-**	**-**	**-**	**77.06**

* There is no project under the intangibles for which timeline has been anticipated. It largely comprises of Trademarks and copyrights applications which are yet to be granted.

(All amounts in ₹ lakhs, unless otherwise stated)

6. OTHER FINANCIAL ASSETS

(Unsecured, considered goods unless otherwise stated)

Refer note 34 for accounting policy on financial instruments

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Non-Current			
Security deposits (refer note (b) and (c) below)	56.23	52.53	51.33
Investments in term deposits (with remaining maturity of more than twelve months) (refer note (a) below)	441.46	343.29	-
Total (A)	**497.69**	**395.82**	**51.33**
Current			
Security deposits	0.95	2.00	2.75
Other assets	1.96	1.07	-
Total (B)	**2.91**	**3.07**	**2.75**
Total (A+B)	**500.60**	**398.89**	**54.08**

Notes:

(a) Held as lien by bank against overdraft facility.

(b) Refer note 38 for information about receivables from related party.

(c) The Group has not given any advances to directors or other officers of the Holding or subsidiary Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member except the security deposit given under the terms and conditions of Rent Agreement entered into with Veena Gadani, relative of director.

(d) Refer note 35 for information about credit risk and market risk for other financial assets.

7. INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the consolidated statement of profit and loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Notes
to consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Uncertain Tax position:

Management periodically evaluates positions taken in the tax returns with respect to situations in tax rates enacted or substantively enacted at the reporting date, regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

A. Components of Income Tax Expense

(i) Statement of profit and loss

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Current Tax		
Current Year	-	-
Adjustment of tax relating to earlier periods	-	-
Total (A)	**-**	**-**
Deferred tax charge:		
Origination and reversal of temporary differences	(375.62)	(46.00)
Total (B)	**(375.62)**	**(46.00)**
Total (A+B)	**(375.62)**	**(46.00)**

(ii) Tax expense recognised in Other Comprehensive Income

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Deferred tax charge		
(Gain)/loss on remeasurement of net defined benefit plans	(1.69)	0.30
Total	**(1.69)**	**0.30**

B. Reconciliation of Effective Tax Rate

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

	For the Year ended 31st March, 2023		For the Year ended 31st March, 2022	
	%	Amount	%	Amount
Statutory income tax rate	25.17%	1,373.04	25.17%	(1,575.73)
Differences due to				
Expenses not deductible for tax purposes	3.62%	199.72	2.76%	167.77
Gains on derecognition of financial liabilities	-43.63%	(2,404.42)	-	-
Unrecognised tax losses	8.00%	441.16	-27%	1,682.47
Others *	-0.05%	14.88	-0.32%	(320.51)
Effective tax rate	**-6.89%**	**(375.62)**	**0.73%**	**(46.00)**

* Others includes impact due to prior period tax refunds.

C. Deferred Tax Assets and Liabilities

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Deferred tax assets	436.76	61.80	11.21
Deferred tax liabilities	(4.97)	(7.21)	(2.43)
Net deferred tax Asset/(liability)	**431.79**	54.58	8.78

(All amounts in ₹ lakhs, unless otherwise stated)

D. Movement in Deferred Tax Assets and Liabilities

	For the year ended 31st March, 2023			
Movements during the year ended 31st March, 2023	As at 01st April, 2022	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in other comprehensive income	As at 31st March, 2023
Deferred tax assets/(liabilities)				
Provision for post retirement benefits and other employee benefits	9.73	15.72	1.69	27.14
Provision for doubtful debts and advances	4.82	4.30	-	9.12
Property, plant and equipment and Intangible assets	(7.21)	2.24	-	(4.97)
Business losses	(0.02)	0.02		-
Impact of Right of Use Asset and Lease Liabilities (include Security Deposit)	8.50	4.82	-	13.32
Share issue expenses	-	219.04	-	219.04
Employee Stock Option Plan	38.66	129.48	-	168.14
Total	**54.48**	**375.62**	**1.69**	**431.79**

	For the year ended 31st March, 2022			
Movements during the year ended 31st March, 2022	As at 01st April, 2021	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in other comprehensive income	As at 31st March, 2022
Deferred tax assets/(liabilities)				
Provision for post retirement benefits and other employee benefits	6.37	3.66	(0.30)	9.73
Provision for doubtful debts and advances	4.82	-	-	4.82
Property, plant and equipment and Intangible assets	(2.43)	(4.78)	-	(7.21)
Business losses	-	(0.02)	-	(0.02)
Impact of Right of Use Asset and Lease Liabilities (include Security Deposit)	0.02	8.48	-	8.50
Employee Stock Option Plan	-	38.66	-	38.66
Total	**8.78**	**46.00**	**(0.30)**	**54.48**

E. Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	31st March, 2023		31st March, 2022	
	Amount	Unrecognised tax effect	Amount	Unrecognised tax effect
Tax losses	1,677.68	422.27	6,626.50	1,667.89
Unabsorbed depreciation	75.05	18.89	57.91	14.58
Losses	1,752.73	441.16	6,684.41	1,682.47

F. Tax losses

Tax losses of previous years for which no deferred tax asset was recognised lapse under Section 79 of the Income Tax Act, 1961 due to change in the ownership.

	31st March, 2023	Lapse Date	31st March, 2022	Lapse Date
Lapse	1,752.73	FY 2030-31	6,684.41	Lapsed

G. Tax Assets and Liabilities

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Non-current tax assets (net of tax provision)	77.69	247.37	167.08
Non-current tax liabilities (net of tax assets)	-	-	-

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(All amounts in ₹ lakhs, unless otherwise stated)

H. DISCLOSURE IN RELATION TO UNDISCLOSED INCOME

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

8. OTHER NON-CURRENT ASSETS

Unsecured, considered good

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Deposit with Government Authorities (Customs, GST, etc.)	0.25	0.25	0.25
	0.25	0.25	0.25

The Group has not given any advances to directors or other officers of the Holding or Subsidiary Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

9. INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

Cost of raw materials, stock in trade and packing material includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss.

Cost of finished goods include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

		As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
(a)	Raw materials [includes in transit: ₹ 0 lakhs (31st March, 2022: ₹ 0 lakhs)]	199.66	797.74	248.08
(b)	Finished goods (other than those acquired for trading) [includes in transit: ₹ 21.40 lakhs (31st March, 2022: ₹ 16.51 lakhs)]	783.55	977.62	594.91
(c)	Stock-in-trade	37.54	848.63	18.41
		1,020.75	**2,623.99**	**861.40**

Note:

During year ended 31st March, 2023 an amount of ₹ 20.51 lakhs (31st March, 2022: ₹ 0 lakhs) was charged to the statement of profit and loss on account of damaged and slow moving inventory. The reversal on account of above during the year amounted to ₹ 0 lakhs (31st March, 2022: ₹ 0 lakhs).

10. TRADE RECEIVABLES

Refer note 34 for accounting policy on financial instruments.

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Trade Receivables considered good – Secured	-	-	-
Trade Receivables considered good – Unsecured	1,775.94	329.42	388.12
Less: Allowance for expected credit loss	-	-	-
Trade Receivables which have significant increase in credit risk	(36.25)	(19.14)	(18.44)
Trade Receivables – credit impaired	-	-	-
Less: Allowance for credit impairment			
	1,739.69	**310.28**	**369.68**
The movement in change in allowance for expected credit loss and credit impairment			
Balance as at beginning of the year	(19.14)	(18.44)	-
Change in allowance for expected credit loss and credit impairment during the year	(17.11)	(0.70)	(18.44)
Balance as at the end of the year	**(36.25)**	**(19.14)**	**(18.44)**

Refer note 35 for information about credit risk and market risk of trade receivables.

(All amounts in ₹ lakhs, unless otherwise stated)

Trade Receivable Ageing Schedule

As at 31st March, 2023

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	730.13	935.24	74.32	-	-	-	1,739.69
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	5.61	12.27	5.08	13.29	36.25
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-					-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
TOTAL (A)	**730.13**	**935.24**	**79.93**	**12.27**	**5.08**	**13.29**	**1,775.94**
Allowance for which have significant increase in credit risk							36.25
Allowance for credit impairment							-
TOTAL (B)							**36.25**
TOTAL [(A)- (B)]							**1,739.69**

As at 31st March, 2022

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	9.47	300.81	-	-	-	-	310.28
Undisputed Trade Receivables – which have significant increase in credit risk	-	18.03	-	1.11	-	-	19.14
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
TOTAL (A)	**9.47**	**318.84**	**-**	**1.11**	**-**	**-**	**329.42**
Allowance for significant increase in credit risk							19.14
Allowance for credit impairment							-
TOTAL (B)							**19.14**
TOTAL [(A)- (B)]							**310.28**

As at 01st April, 2021

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	8.93	338.13	22.62	-	-	-	369.68
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	4.96	13.37	0.11	-	18.44
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
TOTAL (A)	**8.93**	**338.13**	**27.58**	**13.37**	**0.11**	**-**	**388.12**
Allowance for significant increase in credit risk							18.44
Allowance for credit impairment							-
TOTAL (B)							**18.44**
TOTAL [(A)- (B)]							**369.68**

There are no unbilled receivables as at 31st March, 2023, 31st March, 2022 and 01st April, 2021.

There are no debts due by directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

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(All amounts in ₹ lakhs, unless otherwise stated)

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Cash on hand	3.00	0.37	0.02
Balances with banks			
– in current accounts	20.28	1,482.05	687.33
– Deposits with original maturity of less than three months	-	-	7,625.27
	23.28	**1,482.42**	**8,312.62**

12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS MENTIONED ABOVE

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Investments in term deposits (with original maturity of more than three months but less than twelve months) (refer note (a) and (b) below)	8,182.66	7,977.66	2,888.30
	8,182.66	**7,977.66**	**2,888.30**

Notes:

(a) Held as lien by bank against overdraft facility.

(b) Includes amount of ₹ 100 lakhs held as margin money for year ended 31st March, 2022.

14. LOANS

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Current			
Loans Others	2.25	5.25	
Total	**2.25**	**5.25**	**-**
Sub-classification of Loans:			
Loans Receivables considered good – Secured	-	-	-
Loans Receivables considered good – Unsecured	2.25	5.25	-
Loans Receivables which have significant increase in Credit Risk	-	-	-
Loans Receivables – credit impaired	-	-	-

Refer note 35 for information about credit risk and market risk of trade receivables.

1. In line with Circular No. 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to employees as per the Group's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

2. There are no loans or advances in the nature of loans granted to promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

   (a) repayable on demand; or

   (b) without specifying any terms or period of repayment

3. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(All amounts in ₹ lakhs, unless otherwise stated)

14. OTHER CURRENT ASSETS

	As at 31st March ,2023	As at 31st March, 2022	As at 01st April, 2021
Advances other than Capital advances			
Balances with government authorities (GST, etc.)	1,512.17	1,603.25	274.09
Other advances (includes prepaid expenses etc.)	90.15	552.23	906.15
	1,602.32	**2,155.48**	**1,180.24**

15. SHARE CAPITAL

	As at 31st March, 2023		As at 31st March, 2022		As at 01st April, 2021	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Authorised share capital						
Equity shares of ₹ 10/- each	250,000	25.00	150,000	15.00	150,000	15.00
Series A Compulsorily convertible preference shares of ₹ 100/- each with voting rights	29,000	29.00	29,000	29.00	29,000	29.00
Series B Compulsorily convertible preference shares of ₹ 100/- each with voting rights	25,000	25.00	25,000	25.00	25,000	25.00
Series C Compulsorily convertible preference shares of ₹ 100/- each without voting rights	1,000	1.00	1,000	1.00	1,000	1.00
Issued, subscribed and fully paid up share capital						
Equity shares of ₹ 10/- each*	222,841	22.28	100,329	10.03	100,329	10.03
Series A Compulsorily convertible preference shares of ₹ 100/- each with voting rights**	27,085	27.08	-	-	-	-
Series B Compulsorily convertible preference shares of ₹ 100/- each with voting rights***	-	-	-	-	-	-
Series C Compulsorily convertible preference shares of ₹ 100/- each with voting rights****	-	-	-	-	-	-
	249,926	**49.36**	**100,329**	**10.03**	**100,329**	**10.03**
Forfeited Shares	626	0.00	-	-	-	-

* The Holding Company had issued 26,169 equity share capital which were classified as financial liability measured at FVTPL due to buyback obligation attached to these shares.

** The Holding Company had issued 28,571 Series A CCPS on 05th May, 2020 which are classified as financial liability measured at FVTPL due to buyback obligation attached to these shares.

*** The Holding Company had issued 24,780 Series B CCPS on 11th March, 2011 which were classified as financials liability measured at FVTPL due to buyback obligation attached to these shares are converted into equity shares during the current year.

**** The Holding Company had issued 626 partly paid Series C CCPS on 11th January, 2022 which are classified as compound financial instrument measured at amortised cost. During the FY 2022-23 Series C CCPS were forfeited.

Note 1: There are preferential dividend payable on the Series A CCPS outstanding as at 31st March, 2023, however, the preference shareholders has waived off the rights of preferential dividend.

A. Reconciliation of the number of shares

	As at 31st March, 2023		As at 31st March, 2022		As at 01st April, 2021	
	Equity Shares		Equity Shares		Equity Shares	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Equity Share Capital						
Balance as at the beginning of the year	100,329	10.03	100,329	10.03	100,329	10.03
Share classified as Equity during the year	26,169	2.62	-	-	-	-
Bonus Shares Issued during the year	18,028	1.80	-	-	-	-
Shares Issued during the year	52,049	5.20	-	-	-	-
CCPS converted to Equity Shares during the year	26,266	2.63	-	-	-	-
Balance as at the end of the year	**222,841**	**22.28**	**100,329**	**10.03**	**100,329**	**10.03**

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	Preference Shares		Preference Shares		Preference Shares	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Series A compulsorily convertible preference share capital						
Balance as at the beginning of the year	-	-	-	-	-	-
Share classified as Compound financial instrument						-
Share classified as Equity during the year	28,571	28.57	-	-	-	-
Converted to Equity shares during the year	(1,486)	(1.49)	-	-	-	-
Balance as at the end of the year	**27,085**	**27.08**	**-**	**-**	**-**	**-**

	Numbers	Amount	Numbers	Amount	Numbers	Amount
Series B compulsorily convertible preference share capital						
Balance as at the end of the year	-	-	-	-	-	-
Share classified as Compound financial instrument					-	-
Share classified as Equity during the year	24,780	24.78	-	-	-	-
Converted to Equity shares during the year	(24,780)	(24.78)	-	-	-	-
Balance as at the end of the year	**-**	**-**	**-**	**-**	**-**	**-**

	Numbers	Amount	Numbers	Amount	Numbers	Amount
Series C compulsorily convertible preference share capital						
Balance as at the end of the year						
CCPS issued during the year	-	-	626	0.00	-	-
Share classified as Compound financial instrument	-	-	(626)	(0.00)	-	-
Balance as at the end of the year	**-**	**-**	**-**	**-**	**-**	**-**

B. Rights, preferences and restrictions attached to shares

(i) Equity shares

The Holding Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding. Out of aforementioned shares, 10,633 shares are classified as liability at initial recognition and hence contains Equity and Financial Liability component. These shares were re-classified as equity as at 10th January, 2023. Pursuant to the Share Holders Agreement ('SHA') dated 05th May, 2020, the Holding Company is required to undertake a buyback of all or any of the Investors Securities which includes equity shares held by the major investors. During the year ended 31st March, 2023, shareholder has wived off the buy back obligation. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature".

(ii) Series A compulsorily convertible preference shares

The Holding Company has issued and allotted Series A Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100/- each at a premium of ₹ 11,095/- per shares. The holder of CCPS would be entitled to participate pari pasu in any cash or non-cash dividends paid to the holders of any other class of shares (including Equity Shares) or series on a pro rata, as-if-converted basis. The holder of CCPS have the right but not the obligation (i.e., at its option) to convert CCPS, in such numbers or in such tranches as it deems fit, into the relevant Equity Shares at any time (within maximum period of 20 years from date of ballottement/subscription) between date of allotment of CCPS up to the Mandatory Conversion Date (i.e. 3rd May, 2040) as defined in the Shareholders Agreement. Further, at the option of the holder of CCPS, on or prior to the occurrence of a Liquidation Event, CCPS shall convert into Equity Shares. The holder of CCPS shall convert into Equity Shares on a 1:1 basis except in certain limited scenario as set out in the terms and conditions of CCPS. The holder of the CCPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Holding Company (including the holders of Equity Shares). Each of the Promoters, the Holding Company and all other Shareholders hereby acknowledge that the Investor has agreed to subscribe to the CCPS on the basis that the Investor will be able to exercise voting rights on the CCPS as if the same were converted into Equity Shares. Each CCPS shall entitle the holder to the number of votes equal to the number of whole or fractional Equity Shares into which such CCPS could then be converted. Above aforementioned shares are classified as Compound financial instrument at initial recognition and hence contains Equity and Financial Liability component. These shares were re-classified as equity as at 10th January, 2023. Pursuant to the Share Holders Agreement ('SHA') dated 05th May, 2020, the Holding Company is required to undertake a buyback of all or any of

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the Investors Securities which includes preference shares held by the major investors. During the year ended 31st March, 2023, Shareholder has waived off the buy back obligation. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature".

(ii) Series B compulsorily convertible preference shares

The Holding Company has issued and allotted Series B Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100/- each at a premium of ₹ 31,951/- per shares. The holder of CCPS would be entitled to participate pari pasu in any cash or non-cash dividends paid to the holders of any other class of shares (including Equity Shares) or series on a pro rata, as-if-converted basis. The holder of CCPS have the right but not the obligation (i.e., at its option) to convert CCPS, in such numbers or in such tranches as it deems fit, into the relevant Equity Shares at any time (within maximum period of 20 years from date of ballottement/subscription) between date of allotment of CCPS up to the Mandatory Conversion Date (i.e. 10th March, 2041) as defined in the Shareholders Agreement. Further, at the option of the holder of CCPS, on or prior to the occurrence of a Liquidation Event, CCPS shall convert into Equity Shares. The holder of CCPS shall convert into Equity Shares on a 1:1 basis except in certain limited scenario as set out in the terms and conditions of CCPS. The holder of the CCPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders of the Holding Company (including the holders of Equity Shares). Each of the Promoters, the Holding Company and all other Shareholders hereby acknowledge that the Investor has agreed to subscribe to the CCPS on the basis that the Investor will be able to exercise voting rights on the CCPS as if the same were converted into Equity Shares. Each CCPS shall entitle the holder to the number of votes equal to the number of whole or fractional Equity Shares into which such CCPS could then be converted. Above aforementioned shares are classified as Compound financial instrument at initial recognition and hence contains Equity and Financial Liability component. Pursuant to the Share Holders Agreement ('SHA') dated 05th May, 2020, the Holding Company is required to undertake a buyback of all or any of the Investors Securities which includes preference shares held by the major investors. These CCPS were converted into equity shares on 10th January, 2023.

(iii) Series C compulsorily convertible preference shares

The Holding Company has issued and allotted Series C Compulsorily Convertible Preference Shares ("CCPS") of ₹ 100/- each at a premium of ₹ 31,861/- per shares at a partly paid up value of ₹ 0.10/- per share. The holder of CCPS would be entitled, upon being fully paid up, to participate pari pasu in any cash or non-cash dividends paid to the holders of any class of shares (including Equity Shares), upon determination of the actual conversion to equity shares. The holder of CCPS have the right but not the obligation (i.e., at its option) to convert CCPS, into the relevant Equity Shares at the time of Capital Raise Event (within maximum period of 20 years from date of ballottement/subscription) between date of allotment of CCPS up to the Mandatory Conversion Date (i.e. 10th January, 2042) as defined in the Investment Agreement.

Conversion Valuation" (expressed on a per share basis) shall mean the higher of:

(a) a price that is calculated at a 1.5% discount per month to the per share price of the Equity Securities issued in the Capital Raise Event immediately succeeding [15th November, 2021], subject to a maximum cumulative discount of 30%. It is hereby clarified that number of months shall be determined from the date of disbursement of respective Tranche till the execution of the term sheet for the next Capital Raise Event of the Holding Company; or

(b) per share price of the Equity Securities issued in the Capital Raise Event immediately preceding [15th November, 2021].

Upon CCPS being fully paid up, each CCPS holder shall be entitled to receive notice of and vote on all matters, equivalent to converted equity shares (including equity share holders).

Above aforementioned shares are classified as Compound financial instrument at initial recognition and hence contains Equity and Financial Liability component. 626 Series C CCPS are forfeited as at 06th January, 2023 on account of non payment of outstanding subscription amount by the erstwhile shareholder in response to the call notice issued by the Holding Company.

C. Shares held by Holding Company

	As at 31st March, 2023		As at 31st March, 2022		As at 01st April, 2021	
	Numbers	Amount	Numbers	Amount	Numbers	Amount
Equity Share Capital						
Hindustan Unilever Limited	106,215	10.62	-	-	-	-
Series A compulsorily convertible preference share capital						
Hindustan Unilever Limited	27,085	27.09	-	-	-	-

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D. Details of shareholders holding more than 5% shares in the company

	As at 31st March, 2023		As at 31st March, 2022		As at 01st April, 2021	
	Numbers	% holding	Numbers	% holding	Numbers	% holding
Equity Share Capital						
Hindustan Unilever Limited *	106,215	47.66%				
Mrs. Aarti Gill	56,051	25.15%	62,127	49.11%	62,127	49.11%
Mr. Mihir Gadani	34,466	15.47%	38,202	30.20%	38,202	30.20%
Beerud Seth	-	0.00%	11,963	9.46%	11,963	9.46%
Eight Roads Ventures India III LLP	20,876	9.37%				
Series A compulsorily convertible preference share capital						
Matrix Partners India Investment III LLC	-	-	26,186	92.00%	26,186	92.00%
Hindustan Unilever Limited *	27,085	100.00%	-	-	-	-
Series B compulsorily convertible preference share capital						
Matrix Partners India Investment III LLC	-	-	4,599	18.65%	4,599	18.65%
Eight Roads Ventures India III LLP	-	-	16,019	64.64%	16,019	64.64%
F-Prime Capital Partners life science fund VI LP	-	-	4,005	16.16%	4,005	16.16%
Series C compulsorily convertible preference share capital						
Stride Venture India Fund	-	-	376	60.06%	-	0.00%
Stride Venture Debt Fund II	-	-	250	39.94%	-	0.00%

* Hindustan Unilever Limited invested in Zywie Ventures Private Limited by subscribing to 52,049 Equity share capital of the Holding Company. Hindustan Unilever Limited further purchased 54,166 equity shares, 27085 Series A compulsorily convertible preference share capital of the Holding Company from existing Shareholders as on 10th January, 2023. Accordingly, Hindustan Unilever Limited acquired 51% on fully diluted basis (53.34% without dilution) in Holding Company.

E. Details of shares held by promoters

(I) Equity shares of ₹ 10/- each

		As at 31st March, 2023		As at 31st March, 2022		
S. No.	Promoter name	Number of shares	% of total shares	Number of shares	% of total shares	% change in the year
1.	Hindustan Unilever Limited	106,215	47.66%	-	-	100%
2.	Mrs. Aarti Gill	56,051	25.15%	62,127	61.92%	-9.78%
3.	Mr. Mihir Gadani	34,466	15.47%	38,202	17.14%	-9.78%
	Total Promoters shares outstanding	**196,732**		**100,329**		
	Total shares outstanding	**222,841**		**100,329**		

		As at 31st March, 2022		As at 01st April, 2021		
S. No.	Promoter name	Number of shares	% of total shares	Number of shares	% of total shares	% change in the year
1.	Hindustan Unilever Limited	-	-	-	-	0.00%
2.	Mrs. Aarti Gill	62,127	61.92%	62,127	61.92%	0.00%
3.	Mr. Mihir Gadani	38,202	38.08%	38,202	38.08%	0.00%
	Total Promoters shares outstanding	**100,329**		**100,329**		
	Total shares outstanding	**100,329**		**100,329**		

(II) Series A compulsorily convertible preference share capital of ₹ 100 each

		As at 31st March, 2023		As at 01st April, 2022		
S. No.	Promoter name	Number of shares	% of total shares	Number of shares	% of total shares	% change in the year
1.	Hindustan Unilever Limited	27,085	100%	-	-	100%

		As at 31st March, 2023		As at 03rd August, 2004		
S. No.	Promoter name	Number of shares	% of total shares	Number of shares	% of total shares	% change in the year
1.	Total shares outstanding	-	-	-	-	-

(All amounts in ₹ lakhs, unless otherwise stated)

16. OTHER EQUITY

A. Summary of Other Equity balance

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Securities Premium	24,971.62	-	-
Retained earnings	(15,538.63)	(21,364.28)	(15,150.53)
Employee Stock Reserve	-	153.58	-
Equity component of Compound financial instrument	-	0.00	-
Total Other Equity	**9,432.99**	**(21,210.70)**	**(15,150.53)**

B. Nature and purpose of reserves

a. Securities Premium Reserve:

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Balance at the beginning of the year	-	-	-
Shares issued during the year at premium	10,230.88	-	-
Shares converted to from Preference shares to Equity Shares	23.64		
Issue of bonus shares	(1.80)		
Less: Share issue expenses	(1,087.82)	-	-
Add/(Less): Addition during the year on account of change in classification of compound financial instrument	15,806.72	-	-
Balance at the end of the year	**24,971.62**	**-**	**-**

b. Retained earnings:

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

Remeasurements of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Balance at the beginning of the year	(21,364.28)	(15,150.53)	(15,150.53)
Add: Profit for the year	5,830.69	(6,214.35)	-
Add: Other comprehensive income for the year (Remeasurement of Net Defined Benefit Plans)*	(5.04)	0.88	-
Loss before acquisition of subsidiary	-	(0.28)	-
Balance at the end of the year	**(15,538.63)**	**(21,364.28)**	**(15,150.53)**

*Movement in Remeasurement of Net Defined Benefit Plans

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Balance at the beginning of the year	-	-	-
Add: Gain/ (loss) on remeasurement of net defined benefit plans, net of tax	(5.04)	0.88	(4.08)
Less: Transfer to retained earnings	5.04	(0.88)	4.08
Balance at the end of the year	**-**	**-**	**-**

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(All amounts in ₹ lakhs, unless otherwise stated)

c. Employee Stock Reserve

The fair value of the equity-settled share based payment transactions is recognised in consolidated statement of profit and loss with corresponding credit to Employee Stock Options expense account.

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Balance at the beginning of the year	153.58	-	-
Add: Addition during the year		153.58	
Less: Classified as cash settled option*	(153.58)	-	-
Balance at the end of the year	**-**	**153.58**	**-**

*During the year, equity settled share based payment transaction is classified as cash settled share based payment transaction and therefore equity reserve is derecognised and liability for cash settled share based payment is recognised as at 10th January, 2023. Any difference between the carrying amount of equity derecognised and the amount of liability recognised on the modification date is recognised in profit or loss account.

d. Equity component of Compound financial instrument

The convertible preference share reserve contains the equity component of the issued convertible shares. The liability component is reflected in financial liabilities.

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Balance at the beginning of the year	0.00	-	-
Add: Addition during the year		0.00	
Less: Shares Forfeited	(0.00)	-	-
Balance at the end of the year	**-**	**0.00**	**-**

* The value CCPS series C classified as compound financial instrument during the year is ₹ 56. The financials are presented in lakhs and hence the amount is shown as "0.00".

17. BORROWINGS

Refer note 35 for accounting policy on financial instruments.

	Effective Interest Rate %	Maturity	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Non-current					
Secured, 14% Reedemable Non Convertible Debentures	14%	2022-25	-	600.00	-
– Compulsory Convertible Preference Shares	Refer note 2 below		-	17,051.51	17,051.51
– Equity Shares	Refer note 3 below		-	8,363.87	8,363.87
			-	**26,015.38**	**25,415.38**
Current					
Loan repayable on demand					
From banks					
Secured, Bank overdrafts	Refer note 4 below		1,294.79	6,911.97	1,691.61
Secured, cash credit	Refer note 5 below		-	40.00	-
Loan from related parties					
Unsecured, from director	Refer note 6 below		1.01	1.50	-
Current maturity of long-term loans					
Secured, 14% Reedemable Non-Convertible Debentures	14%	2022-25	-	1,379.50	-
			1,295.80	**8,332.97**	**1,691.61**
Aggregate Secured loans			1,294.79	8,931.47	1,691.61
Aggregate Unsecured loans			1.01	25,416.88	25,415.38
			1,295.80	**34,348.35**	**27,106.99**

Notes:

1. Secured, Reedemable Non-Convertible Debentures were obtained during the previous year at an interest rate of 14% and is repayable within 12 months to 36 months. During the current year, these Debentures were fully paid. The above debentures were secured by way of pari pasu residual charge on all assets of the holding company as per the debenture deed entered with Debenture Trustee on 29th December, 2021. Further the margin money of ₹ 1 crore was provided (i.e. 10% of Debenture Value)

(All amounts in ₹ lakhs, unless otherwise stated)

2. Holding Company had issued 28,571 Series A CCPS on 05th May, 2020 and 24,780 Series B CCPS on 11th March, 2021 which are classified as financial liability measured at FVTPL due to buyback obligation attached to these shares. During the current year, there is buyback obligation extinguishment which covert the financial liability into equity.
3. Holding Company had issued 26,169 equity shares which were classified as financial liability measured at FVTPL on account of buyback obligation attached to these shares. During the current year, there is buyback obligation extinguishment which covert the financial liability into equity.
4. Secured, Bank overdrafts are obtained at interest ranging between 5.15% to 7.30% (31st March, 2022 – 6 % to 7.20%) and is repayable on demand. The bank overdrafts are secured against the term deposits.
5. Cash credit facility from banks secured against hypothecation of stock and book debts and has been guaranteed by the personal guarantee of Mr. Mihir Gadani (Director) and Mrs. Aarti Gill (Director) and is repayable on demand.

   Secured, Cash credit facility were obtained at interest of 10.45% (31st March, 2022 – 10.45%). During the current year, the Holding Company has repaid cash credit fully.
6. Unsecured, interest free loans, from directors outstanding as at 31st March, 2022 and 31st March, 2023 are repayable on demand.

18. LEASE LIABILITIES

Lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Non-Current			
Lease liabilities payable beyond 12 months	167.62	238.97	316.41
	167.62	**238.97**	**316.41**
Current			
Lease liabilities payable within 12 months	145.47	139.61	127.68
	145.47	**139.61**	**127.68**

The movement in Lease liabilities (Non-current and Current) is as follows:

	As at 31st March, 2023	As at 31st March, 2022
Balance as at beginning of the year	378.58	444.09
Add: Addition	18.52	-
Add: Accretion of interest	55.48	62.17
Less: Payments	(138.69)	(127.68)
Less: Others (including foreclosure)	(0.80)	-
Closing balance as at 31st March	**313.09**	**378.58**

19. OTHER FINANCIAL LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Non-Current			
Employee Stock Option Scheme (Refer note 37)	668.02	-	-
	668.02	**-**	**-**
Current			
Salaries, wages, bonus and other employee payable	33.53	131.71	67.28
	33.53	**131.71**	**67.28**

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(All amounts in ₹ lakhs, unless otherwise stated)

20. PROVISIONS

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Non-Current			
Provision for employee benefits			
Provision for gratuity	67.66	31.82	16.46
	67.66	31.82	16.46
Current			
Provision for employee benefits			
Provision for Leave Compensation	40.17	6.82	8.87
Provision for Sales returns	42.75	34.92	56.34
	82.92	**41.74**	**65.21**

(a) Movement in Other provisions (Non-current and Current)

	Sales Returns
Opening balance as at 1st April, 2021	**56.34**
Add: Provision during the year	34.92
Less: Amount utilised during the year	-
Less: Amount reversed during the year	(56.34)
Opening balance as at 1st April, 2022	**34.92**
Add: Provision during the year	42.75
Less: Amount utilised during the year	-
Less: Amount reversed during the year	(34.92)
Balance as on 31st March, 2023	**42.75**

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. The provision for sales return comprises the returns that company is expecting in future basis the past trends.

21. TRADE PAYABLES

Refer note 34 for accounting policy on financial instruments

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Total outstanding, dues of micro and small enterprises	635.50	265.71	231.83
Total outstanding, dues of creditors other than micro and small enterprises	1,459.10	1,785.00	1,628.30
	2,094.60	**2,050.71**	**1,860.13**

(All amounts in ₹ lakhs, unless otherwise stated)

Disclosure Pertaining To Micro, Small And Medium Enterprises

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	635.50	265.71	231.83
Principal amount due to micro and small enterprises	631.59	264.19	230.33
Interest due on above	3.91	1.52	1.50
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year .	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	6.93	3.02	1.50
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-

Trade Payables Ageing Schedule

As at 31st March, 2023

		Outstanding for following periods from due date of payment				
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	303.88	331.44	0.19		-	635.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,096.78	347.38	14.93		-	1,459.09
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	**1,400.66**	**678.82**	**15.12**	**-**	**-**	**2,094.60**

As at 31st March, 2022

		Outstanding for following periods from due date of payment				
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	137.74	127.97			-	265.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,152.96	632.04			-	1,785.00
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
TOTAL	**1,290.70**	**760.01**	**-**	**-**	**-**	**2,050.71**

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(All amounts in ₹ lakhs, unless otherwise stated)

As at 01st April, 2021

	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	188.86	42.97			-	231.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	651.52	976.78			-	1,628.30
Disputed dues of micro enterprises and small enterprises				-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises				-	-	-
TOTAL	**840.38**	**1,019.75**	**-**	**-**	**-**	**1,860.13**

22. OTHER CURRENT LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Statutory dues (including provident fund, tax deducted at source and others)	53.12	69.28	25.08
Advance from customers	59.04	112.47	-
Total	**112.16**	**181.75**	**25.08**

23. REVENUE FROM OPERATIONS

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorised by the Group. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Income from Services rendered

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Revenue from contract with customers		
Sale of products		
Sale of manufactured goods	7,885.76	11,464.85
Sale of traded goods	2,018.03	828.40
	9,903.79	**12,293.25**
Other operating income		
Income from services rendered	0.44	0.02
Others	28.00	54.80
	28.44	**54.82**
Total revenue from operations	**9,932.23**	**12,348.07**

(All amounts in ₹ lakhs, unless otherwise stated)

23 a. Set out below is the disaggregation of the Group's revenue from contract with customer

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Geographical location of customer		
India	9,790.82	12,291.56
Outside India	112.97	1.69
Total revenue from contract with customers	**9,903.79**	**12,293.25**

23 b. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Revenue as per contracted price	10,249.30	12,507.53
Other deductions *	(345.51)	(214.28)
Revenue from contract with customers	**9,903.79**	**12,293.25**

* Other deduction includes claims to customers, incentives, free samples and visibility claims, etc.

24. OTHER INCOME

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Statement of Profit and Loss.

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Interest income on		
– Bank deposits	439.91	391.02
– Income tax refund	13.78	-
– Others Income	3.17	3.02
Gain on fair value changes on financial liabilities *	9,552.70	-
Others	2.57	2.96
	10,012.13	**397.00**

* This represent the gain on buy back obligation extinguishment on Equity, CCPS Series A and Series B.

25. COST OF MATERIALS CONSUMED

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Inventory of materials at the beginning of the year	797.74	248.08
Add : Purchases	2,326.16	4,724.07
Less : Inventory of materials at the end of the year	(199.66)	(797.74)
	2,924.24	**4,174.41**

26. PURCHASE OF TRADED GOODS

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Purchase of traded goods	840.37	1,588.95
	840.37	**1,588.95**

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(All amounts in ₹ lakhs, unless otherwise stated)

27. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Opening inventories		
Finished goods	994.13	594.91
Stock-in-trade	832.12	18.41
	1,826.25	**613.32**
Closing inventories		
Finished goods	783.55	994.13
Stock-in-trade	37.54	832.12
	821.09	**1,826.25**
	1,005.16	**(1,212.93)**

28. EMPLOYEE BENEFIT EXPENSE

Short term employee benefits

Short term employee benefits including salaries and performance incentives, are charged to consolidated statement of profit and loss on an undiscounted, accrual basis during the period of employment.

Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Group's provident fund contribution, in respect of certain employees, is made to a Government administered fund and charged as an expense to the consolidated statement of profit and loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions..

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements."

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense/ (income) on the net defined benefit liability/ (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability/(asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

The Group has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972. Which entitles an employee, who has rendered at least five years of continuous service, to gratuity payable on termination of his employment at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The plan is partly funded by LIC of India and partly non-funded.

(All amounts in ₹ lakhs, unless otherwise stated)

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Group's net obligation into current and non-current is as per the actuarial valuation report.

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised based on undiscounted value of estimated value of benefit expected to be availed by the employees.

Termination benefits

Termination benefits are expensed at the earlier of when the entity can no longer withdraw the offer of those benefits or when the entity recognizes costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Share Based Payment transactions

Employees of the Group receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share-based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

For cash-settled share-based payments, the fair value of the amount payable is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses.

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Salaries, wages and bonus	1,813.03	1,159.75
Share based payment	750.43	153.58
Contribution to provident and other funds	70.61	40.91
Staff welfare expenses	18.39	18.55
	2,652.46	**1,372.79**

29. FINANCE COST

Finance costs includes costs in relation to borrowings and similar obligations, interest on lease liabilities which represents the unwinding of the discount rate applied to lease liabilities and also include interest costs in relation to financial liabilities.

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Interest cost on financial liabilities at amortised cost	250.37	66.77
Interest on bank overdraft	326.99	120.23
Interest on Lease Liabilities	55.48	62.17
Others	86.99	23.03
	719.83	**272.20**

30. DEPRECIATION AND AMORTISATION EXPENSE

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Depreciation on property, plant and equipment (owned assets)	63.19	45.13
Amortisation of ROU assets	105.44	102.19
Amortisation on intangible assets	33.10	5.46
	201.73	**152.78**

Notes

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(All amounts in ₹ lakhs, unless otherwise stated)

31. OTHER EXPENSES

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Advertising and promotion	3,834.55	10,001.53
Marketplace Commission	646.20	931.99
Carriage and freight	821.15	1,077.60
Power, fuel, light and water	5.10	4.56
Rent	1.82	3.99
Travelling and motor car expenses	101.56	22.09
Repairs	3.89	3.96
Product Testing Charges	61.64	40.79
Packing & Design Charges	36.81	129.20
Professional Fees	146.28	85.98
Software Subscription Charges	167.56	120.83
Insurance Charges	30.84	38.42
License Fee Charges	25.00	3.10
Telephone & Mobile Expense	111.59	65.09
Bank Fees and Charges	13.25	0.33
Printing and Stationery	13.12	8.05
Miscellaneous expenses	125.14	119.71
	6,145.50	**12,657.22**
Note:		
Miscellaneous expenses include:		
Payments to the auditors for:		
Statutory audit fees	20.00	18.15
Tax audit fees	2.00	2.00
Others	-	-
Fees for other audit related services	-	-
Fees for certification	-	-
Reimbursement of out-of-pocket expenses *	0.23	-
	22.23	**20.15**

* The reimbursement of out-of-pocket expenses pertains to erstwhile auditors of Holding Company.

32. EARNINGS PER SHARE (EPS)

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

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

	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Profit / (Loss) after tax for the year	5,830.69	(6,214.35)
Consolidated Weighted average number of equity shares for basic EPS	147,555	118,357
Basic Earning per equity share	**3,951.54**	**(5,250.51)**
Profit / (Loss) after tax for the year (amount in lakhs)	(3,722.01)	(6,214.35)
Weighted average number of Equity shares for diluted EPS	152,683	118,357
Diluted Earning per share ******	**(2,437.74)**	**(5,250.51)**

(All amounts in ₹ lakhs, unless otherwise stated)

Consolidated Weighted – average number of equity shares (basic)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening balance	100,329	100,329
Effect of bonus share issued *	18,028	18,028
Effect of Liability classified as equity shares and instruments entirely equity in nature **	11,636	-
Effect of Share issued during the year	11,551	-
Preference shares outstanding during the year, to be converted into equity shares **	6,011	-
Closing balance	**147,555**	**118,357**

* On 27th December, 2022, the Holding Company has allotted 18,028 bonus equity shares of ₹ 100 each to Series A and Series B Compulsorily Convertible Peferemce shareholders of the Holding Company as below:

– 2,536 bonus shares to holders of Series A compulsorily convertible preference shares and

– 15,492 bonus shares to holders of Series B compulsorily convertible preference shares

The Earnings per share (in compliance with Ind AS 33) for the current year and previous year has been arrived at after giving effect to the above mentioned issue of bonus share to CCPS holders.

	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit / (loss) attributable to equity shareholders (basic)	5,830.69	(6,214.35)
Gain on fair value changes on financial liabilities	(9,552.70)	-
Loss attributable to equity shareholders (diluted)	**(3,722.01)**	**(6,214.35)**

Consolidated Weighted – average number of equity shares (diluted)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Issued equity shares at the beginning of the year	100,329	100,329
Effect of bonus share issued *	18,028	18,028
Effect of liability classified as instruments entirely equity in nature **	11,636	-
Effect of share issued during the year	11,551	-
Preference shares outstanding during the year, to be converted into equity shares **	6,011	-
Employee share option	5,128	-
Weighted – average number of equity shares (diluted)	**152,683**	**118,357**

* On 27th December, 2022, the Holding Company has allotted 18,028 bonus equity shares of ₹ 100 each to Series A and Series B Compulsorily Convertible Peferemce shareholders of the Holding Company as below:

– 2,536 bonus shares to holders of Series A compulsorily convertible preference shares and

– 15,492 bonus shares to holders of Series B compulsorily convertible preference shares

** On 20th December, 2022, pursuant to the approval by the Board of Directors of the Company and the amendment to the shareholders agreement dated 08th December, 2022, the conversion ratio for 0.001% Cumulative Compulsorily Convertible Preference Shares of Series A ("CCPS A") stands changed from 1 equity share for 1 CCPS A share to 1 equity share for 1 CCPS A share. Accordingly, 1,486 CCPS A shares of Rs.100 each, have been converted to 1,486 equity shares of ₹ 10 each, on 08th December, 2022.

** On 06th January, 2023, pursuant to the approval by the Board of Directors of the Company and the amendment to the shareholders agreement dated 06th January, 2023, the conversion ratio for 0.001% Cumulative Compulsorily Convertible Preference Shares of Series B ("CCPS B") stands changed from 1 equity share for 1 CCPS B share to 1 equity share for 1 CCPS B share. Accordingly, 24,780 CCPS B shares of ₹ 100 each, have been converted to 24,780 equity shares of ₹ 10 each, on 06th January, 2023.

626 Series C CCPS are forfeited as at 06th January, 2023 on account of non payment of outstanding subscription amount by the erstwhile shareholder in response to the call notice issued by the Company.

**** The effect of conversion of 0% redeemable, convertible, non-cumulative, preference shares into equity shares being anti-dilutive, has not been considered for the purpose of computing diluted earnings per share.

33. CONTINGENT LIABILITIES, CAPITAL AND OTHER COMMITMENTS

The Company does not have any contingent liabilities and any other commitements as on 31st March, 2023, 31st March, 2022 and 1st April, 2021.

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34. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I. Financial Assets:

Financial assets are recognised when The Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the consolidated statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified and measured at

– amortised cost

– fair value through profit and loss (FVTPL)

– fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except during the period The Group changes its business model for managing financial assets.

(a) Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(b) Debt Instruments:

Debt instruments includes Compulsorily Convertible Debentures at a coupon of 14% are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) The Group's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(i) Financial assets at amortised costs

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the 'EIR' method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the consolidated statement of profit and loss.

(ii) Financial instruments at Fair Value through Profit or Loss (FVTPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the consolidated statement of profit and loss.

(iii) Financial assets at fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the consolidated statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the consolidated statement of profit and loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset

Offsetting financial instruments

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

(All amounts in ₹ lakhs, unless otherwise stated)

Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

(a) Trade receivables

(b) Financial assets measured at amortised cost (other than trade receivables)"

In case of trade receivables, The Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii above), The Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, The Group reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to The Group in accordance with the contract and all the cash flows that The Group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

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

ECL allowance recognised (or reversed) during the period is recognised as income/ expense in the consolidated statement of profit and loss under the head 'Other expenses'.

Write - off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

II. Financial Liabilities:

(a) Initial recognition and measurement

Financial liabilities are recognised when The Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

(b) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the consolidated statement of profit and loss.

(c) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in consolidated statement of profit and loss.

(d) Compound financial instruments:

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

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The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

A. Accounting Classifications And Fair Values

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

		Carrying value/ Fair value		
	Note	As at 31st March, 2023	As at 31st March, 2022	As at 01st April 2021
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
Other non-current financial assets	6	497.69	395.82	51.33
Other current financial assets	6	2.91	3.07	2.75
Trade Receivables	10	1,739.69	310.28	369.68
Cash and Cash Equivalents	11	23.28	1,482.42	8,312.62
Bank balances other than cash and cash equivalents mentioned above	12	8,182.66	7,977.66	2,888.30
Loans	13	2.25	5.25	-
		10,448.48	**10,174.50**	**11,624.68**
FINANCIAL LIABILITIES				
Financial liabilities measured at fair value				
Employee Stock Option Plan (Cash Settled Liability)	19	668.02	-	-
Financial liabilities measured at amortised cost				
Lease Liabilities	18	313.09	378.58	444.09
Borrowings	17	1,295.80	34,348.35	27,106.99
Other financial liabilities	19	33.53	131.71	67.28
Trade payables	21	2,094.60	2,050.71	1,860.13
		4,405.04	**36,909.35**	**29,478.49**

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

B. Income, Expenses, Gains Or Losses On Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

	Note	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Financial assets measured at amortised cost			
Interest income	24	456.87	394.05
Financial liabilities measured at amortised cost			
Interest expense	29	664.35	210.03
Interest on lease liabilities	29	55.48	62.17

C. Fair Value Hierarchy

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

(All amounts in ₹ lakhs, unless otherwise stated)

The categories used are as follows:

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

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

As at 31st March, 2023

	Level 1	Level 2	Level 3	Total
Liabilities at fair value				
– Lease Liabilities	-	-	313.09	313.09

As at 31st March, 2022

	Level 1	Level 2	Level 3	Total
Liabilities at fair value				
– Compulsory Convertible Preference Shares	-	-	17,051.51	17,051.51
– Equity Shares	-	-	8,363.87	8,363.87
– Lease Liabilities	-	-	378.58	378.58

As at 01st April, 2021

	Level 1	Level 2	Level 3	Total
Liabilities at fair value				
– Compulsory Convertible Preference Shares	-	-	17,051.51	17,051.51
– Equity Shares	-	-	8,363.87	8,363.87
– Lease Liabilities	-	-	444.09	444.09

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as significant unobservable inputs used.

Financial Instruments measured at Fair Values

Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Financial Liability component of Compulsory Convertible Preference Shares	Discounted cash flow approach : The approach model considers the present value of expected payments/receipts, discounted using risk adjusted discount rate.	Forecasted Revenue	5% increase in forecasted revenue would have led to an additional liability of approximately ₹ 85 lakhs and 5% decrease would have led to an equal but opposite effect.
Financial Liability component of Equity Shares	Discounted cash flow approach : The approach model considers the present value of expected payments/receipts, discounted using risk adjusted discount rate.	Forecasted Revenue	5% increase in forecasted revenue would have led to an additional liability of approximately ₹ 85 lakhs and 5% decrease would have led to an equal but opposite effect.
Lease Liabilities	Discounted cash flow approach : The approach model considers the present value of expected payments/receipts, discounted using incremental borrowing rates.	Discount rate 100 bps	Increase in discount rate by 100 bps points will increase the lease liability by ₹ 3.19 lakhs and 100 bps decrease would have led to an equal but opposite effect.

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Transfers between Levels 1 and 2

There are no transfers between Level 1 and Level 2 during the reporting year.

Reconciliation of Level 3 fair value measurements of financial liabilities is given below:

(A) Financial Liability component of Compulsory Convertible Preference Shares

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening	**17,051.51**	**17,051.51**
Additions during the year	-	-
Payments during the year	-	-
Gain recognised in profit and loss on fair value adjustments	(6,335.22)	-
Transfer to profit and loss on extinguishment of buy-back rights	(10,716.29)	-
Closing	**-**	**17,051.51**

(B) Financial Liability component of Equity Shares

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening	**8,363.87**	**8,363.87**
Additions during the year	-	-
Payments during the year	-	-
Gain recognised in profit and loss on fair value adjustments	(3,217.48)	-
Transfer to profit and loss on extinguishment of buy-back rights	(5,146.40)	-
Closing	**-**	**8,363.87**

(C) Lease Liabilities

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening	**378.58**	**444.09**
Additions during the year	74.00	62.17
Payments during the year	(138.69)	(127.68)
Gain recognised in profit and loss on fair value adjustments	-	-
Others *	(0.80)	-
Closing	**313.09**	**378.58**

*Others includes gain of ₹ 15,862.69 lakhs recognised on extinguishment of buyback rights on the financial instruments during the current year.

Other financial assets and liabilities

Cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

35. FINANCIAL RISK MANAGEMENT

A. Management of Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2023 and 31st March, 2022.

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

(All amounts in ₹ lakhs, unless otherwise stated)

The following table shows the maturity analysis of the Group's financial assets and financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

As at 31st March, 2023

	Note	Carrying amount	Undiscounted Amount Within 1 year	More than 1 year	Total
Financial assets					
Non-derivative assets					
Loans	13	2.25	2.25		2.25
Trade Receivables	10	1,739.69	1,739.69	-	1,739.69
Cash and cash equivalents	11	23.28	23.28	-	23.28
Bank Balances other cash and cash equivalents	12	8,182.66	8,182.66	-	8,182.66
Investments in term deposits (with remaining maturity of more than twelve months)	6	441.46	-	441.46	441.46
Other assets	6	1.96	1.96	-	1.96
Security deposits	6	57.18	0.95	64.66	65.61
Financial liabilities					
Non-derivative liabilities					
Lease Liabilities	18	313.09	145.47	254.51	399.98
Borrowings	17	1,295.80	1,295.80	-	1,295.80
Trade payables	21	2,094.61	2,094.61	-	2,094.61
Employee liabilities	19	33.53	33.53	-	33.53
Other financial liabilities	19	668.02	-	668.02	668.02

As at 31st March, 2022

	Note	Carrying amount	Undiscounted Amount Within 1 year	More than 1 year	Total
Financial assets					
Non-derivative assets					
Loans	13	5.25	5.25		5.25
Trade Receivables	10	310.28	310.28	-	310.28
Cash and cash equivalents	11	1,482.42	1,482.42	-	1,482.42
Bank Balances other cash and cash equivalents	12	7,977.66	7,977.66	-	7,977.66
Investments in term deposits (with remaining maturity of more than twelve months)	6	343.29	-	343.29	343.29
Other assets	6	1.07			
Security deposits	6	54.54	2.00	64.14	66.14
Financial liabilities					
Non-derivative liabilities					
Lease Liabilities	18	378.58	139.61	399.98	539.59
Trade payables (including acceptances)	21	2,050.72	2,050.72	-	2,050.72
Employee liabilities	19	131.71	131.71	-	131.71
Borrowings	17	34,348.35	8,332.97	26,015.38	34,348.35
Other financial liabilities	19	131.71	131.71	-	131.71

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As at 01st April, 2021

	Note	Carrying amount	Undiscounted Amount Within 1 year	More than 1 year	Total
Financial assets					
Non-derivative assets					
Trade Receivables	10	369.68	369.68	-	369.68
Cash and cash equivalents	11	8,312.62	8,312.62	-	8,312.62
Bank Balances other cash and cash equivalents	12	2,888.30	2,888.30	-	2,888.30
Security deposits	6	54.09	-	68.63	68.63
Financial liabilities					
Non-derivative liabilities					
Lease Liabilities	18	444.09	127.68	539.59	667.27
Trade payables (including acceptances)	21	1,860.14	1,860.14	-	1,860.14
Employee liabilities	19	67.28	67.28	-	67.28
Borrowings	17	27,106.99	1,691.61	25,415.38	27,106.99

B. MANAGEMENT OF MARKET RISK

The Group's business activities are exposed to a variety of financial risks, namely:

- currency risk;
- interest rate risk; and
- commodity risk

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group's exposure to foreign currency risk at the end of reporting period expressed in ₹ as on 31st March, 2023

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Financial assets			
Foreign Currency receivables for export of goods	12.15	-	-
Financial liabilities			
Foreign Currency payables for Import of service and advance from customer	58.85	-	-
Net exposure for Foreign currency risk (Liabilities)	**-46.70**	**-**	**-**

Impact on profit / (loss) for the year for a 5% change:

Particulars	For the year ended 31st March, 2023 5% Appreciation	5% Depreciation	For the year ended 31st March, 2022 5% Appreciation	5% Depreciation	For the year ended 01st April, 2021 5% Appreciation	5% Depreciation
USD/INR	-2.34	2.34	-	-	-	-

(All amounts in ₹ lakhs, unless otherwise stated)

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 market interest rates. The Company's exposure to market risk for changes in interest rates relates to borrowings from financial institutions. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to borrowings from banks. Refer note 18 of financial statements.

The Group is mainly exposed to the interest rate risk due to its investment in debt mutual funds. The interest rate risk arises due to uncertainties about the future market interest rate on these investments.

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Fixed Rate Instruments			
Financial Liabilities	-	1,979.50	-
Variable Rate Instruments			
Financial Liabilities	1,295.80	6,953.47	1,691.61

Interest rate sensitivity – fixed rates

The Group's fixed rate borrowings and fixed rate bank deposits are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity – variable rates

	Profit or loss	
	100 bps increase	100 bps decrease
31st March, 2023		
Variable-rate borrowings		
Borrowings	(7.20)	7.20
31st March, 2022		
Variable-rate borrowings		
Borrowings	(2.72)	2.72
01st April, 2022		
Variable-rate borrowings		
Borrowings	(0.25)	0.25

C. MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Group adopts cash and carry terms for a majority of its Sales revenue, thus eliminating any component of risk. Further customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

There are no receivables for more than 10% from each customer.

Other financial assets

The Group maintains exposure in cash and cash equivalents, money market liquid mutual funds with financial institutions. The Group has set counter-party limits based on multiple factors including financial position, credit rating, etc.

The Group's maximum exposure to credit risk as at 31st March, 2023 and as at 31st March, 2022 is the carrying value of each class of financial assets.

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36. EMPLOYEE BENEFITS

The Company has classified various employee benefits as under:

I. Defined contribution plans

Amount towards Defined contribution plan have been recognised under "Contribution to Provident and Other funds" in Note 31 of Statement of Profit and Loss. The Company has made contribution to provident fund and other funds of ₹ 35.96 lakhs (31st March, 2022 - ₹ 19.14 lakhs). Further Company has contributed in ESIC of ₹ 2.22 lakhs (31st March, 2022 - ₹ 2.10 lakhs).

II. Defined benefit plans

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund and decides its contribution. The Company aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term.

A. Balance Sheet

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

	Retirement Benefit Plans		
	As at 31st March, 2023	As at 31st March, 2022	As at 01st April 2021
Present Value of Obligation	84.80	48.96	31.16
Fair Value of Plan Assets	(17.14)	(17.14)	(14.70)
(Asset)/Liability recognised in the Balance Sheet	**67.66**	**31.82**	**16.46**
Funded plans in deficit:			
Present Value of Obligation#	84.80	48.96	31.16
Fair Value of Plan Assets#	(17.14)	(17.14)	(14.70)
(Asset)/Liability recognised in the Balance Sheet	**67.66**	31.82	16.46

Pursuant to revised Guidance note 29 issued by Institute of Actuaries of India dated 16th February, 2022, plan assets held by the Provident Fund Trust have been Fair valued. As result the funded plan have moved from in deficit to in surplus during the year.

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

	Plan Assets	Plan Obligation	Total
As at 01st April, 2021	14.70	31.16	16.46
Current service cost	-	16.04	16.04
Employee contributions	1.48	-	(1.48)
Interest cost	-	3.04	3.04
Excess of interest on plan assets over actual return	(0.04)	-	0.04
Interest income	1.06	-	(1.06)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(6.65)	(6.65)
Actuarial (gain)/loss arising from changes in financial assumptions	-	6.43	6.43
Actuarial (gain)/loss arising from experience adjustments	-	(1.00)	(1.00)
Benefit payments	(0.06)	(0.06)	-
As at 31st March, 2022	**17.14**	**48.96**	**31.82**
Additions due to business combination			
Current service cost	-	24.88	24.88
Interest cost	-	5.37	5.37
Excess of interest on plan assets over actual return	(1.15)	-	(1.15)
Interest income	1.15	-	1.15
Actuarial (gain)/loss arising from changes in financial assumptions	-	(2.04)	(2.04)
Actuarial (gain)/loss arising from experience adjustments	-	7.63	7.63
As at 31st March, 2023	**17.14**	**84.80**	**67.66**

(All amounts in ₹ lakhs, unless otherwise stated)

C. Statement of Profit and Loss

The charge to the consolidated Statement of Profit and Loss comprises:

	As at 31st March, 2023	As at 31st March, 2022
Employee Benefit Expense*:	24.88	16.04
Finance costs * :		
Interest cost	5.37	3.04
Interest income	(1.15)	(1.06)
Net impact on profit (before tax)	**4.22**	**1.98**
Remeasurement of the net defined benefit plans:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	(6.65)
Actuarial (gains)/losses arising from changes in financial assumptions	(2.04)	6.43
Actuarial (gains)/losses arising from experience adjustments	7.62	(1.00)
Excess of interest on plan assets over actual return	1.15	0.03
Net impact on other comprehensive income (before tax)	**6.73**	**(1.18)**

* Service cost and Finance cost excludes charges towards Officer's Pension and Provident Fund.

D. Assets

The fair value of plan assets at the Balance Sheet date for defined benefit plans are as follows:

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Investments Funds	17.14	17.14	14.70

E. Assumptions

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Discount rate (per annum)	7.20%	6.70%	6.90%
Salary Escalation Rate (per annum)	13.00%	13.00%	10.00%
Management employees – for first 5 years			
Management employees – after 5 years			
Non-management Employees			

g. Sensitivity analysis

Sensitivity analysis indicates the effects of reasonable changes in certain significant assumptions on the outcome of the present value of obligation. Sensitivity analysis is done by increasing/decreasing one parameter at a time (while keeping all other parameters constant) and studying its impact.

	Effect on gratuity obligation		
Change in assumptions	**31st March, 2023**	**31st March, 2022**	**01st April, 2021**
Discount rate			
Increase by 1%	-4.80%	-4.80%	-6.70%
Decrease by 1%	5.20%	5.30%	7.60%
Salary escalation rate			
Increase by 1%	4.20%	4.40%	6.30%
Decrease by 1%	-4.00%	-4.10%	-5.90%
Rate of Employee Turnover			
Increase by 1%	-4.40%	-4.50%	-2.80%
Decrease by 1%	5.00%	5.20%	3.00%

Notes
to consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

h. The following are the expected future benefit payments for the defined benefit plan:

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Within the next 12 months (next annual reporting period)	11.15	6.49	2.75
Between 2 and 5 years	46.88	25.96	12.42
Beyond 5 years	71.60	40.62	41.47

Current Liability as at 31st March, 2023 is ₹ Nil (Previous year ₹ Nil) and Non-Current Liability is ₹ 67.65 lakhs (Previous year ₹ 31.81 lakhs). Discount rate considered for current year is 7.2% (previous year 6.7%).

Other long term employee benefits

The Company provides for compensated absences to employees which can be carried forward to future years. Consequently based on Guidance on implementation of IND AS 19 "Employee Benefits" (IND AS-19), the Company has considered the benefits provided as other long term employee benefits. An amount of ₹ 33.35 lakhs (31st March, 2022: ₹ 6.82 lakhs), has been charged to the Statement of Profit and Loss for the year ended 31st March, 2023.

Termination benefits

The Company do not have any termination benefits as on 31st March, 2023 (31st March, 2022 : Nil).

37. SHARE BASED PAYMENTS

Equity Settled Share Based Payments

The members of the Company had approved ESOP Plan 2021 at the Annual General Meeting held on 09th July, 2021. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

This plan was amended and revised vide ESOP Plan 2021' at the Annual General Meeting held on 20th December, 2022. This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by Board of Directors from time to time, at the end of 4-year performance period. The performance measures under this scheme include period of service.

The Employee Stock Option Plan includes employees of Zywie Ventures Private Limited.

Scheme	Scheme Grant Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share	Weighted Average Exercise Price (₹) per share
Employee Stock option plan 2021	2021	2021-07-01	264	Graded Vesting over the period of 4 Years	To be determined by the Board	₹ 10 Per Share	₹ 10 Per Share
		2021-10-01	112				
		2022-02-01	31				
		2022-03-07	3				
		2022-04-01	3,278				
		2022-04-09	63				
		2022-08-01	181				
		2022-09-01	16				
		2022-09-02	19				
		2022-10-11	125				
		2022-11-15	10				
		2022-12-19	31				

			Number of share options				
Scheme	Scheme Grant Year	Financial year	Outstanding at the beginning of the year	Granted during the year	Forfeited / Cancelled during the year	Exercised during the year	Outstanding at the end of the year
Employee Stock option plan 2021	2021	2021-22	-	1,694	-	-	1,694
		2022-23	1,694	3,888	(1,449)	-	4,133

Weighted average equity share price at the date of exercise of options during the year was Rs. 19,666 (2021-22: Rs.19,666).

(All amounts in ₹ lakhs, unless otherwise stated)

For the purpose of fair value of the share options at the grant date equity share value is considered.

The said ESOPs to be granted would be treated as equity settled share-based payment till the date of Modification i.e. 20 December 2022 and cash settled share-based payment as at 31st March, 2023 and the Holding Company is required to fair value the ESOPs at each financial reporting date using option pricing model.

The Monte Carlo Simulation valuation model has been used for computing the fair value for stock options considering the following inputs:

Particulars	As at 31st March, 2023
Weighted average share price/market price (₹ per share)	22,592
Exercise price (₹ per share)	10
Expected volatility	33%
Life of the options granted (vesting and exercise period) in years	3.1 Years
Expected dividends	-
Average risk-free interest rate	7%
Fair value of option (₹ per share)	32,186

Effect of share based payment transactions on the Balance Sheet:

	As at 31st March, 2023	As at 31st March, 2022	As at 01st April, 2021
Employee stock option outstanding reserve	-	153.58	
Other non-current financial liabilities	668.02	-	-
Other current financial liabilities	-	-	-
Total carrying amount of liabilities	**668.02**	**-**	**-**

Effect of share based payment transactions on the Statement of Profit and Loss:

	As at 31st March, 2023	As at 31st March, 2022
Equity settled share based payments	-	153.58
Cash settled share based payments	750.43	-
Total expense on share based payments	**750.43**	**153.58**

Modifications to ESOPs:

1. The Holding Company had in place a Employee Stock Option Plan 2021 ("ESOP Plan 2021") under which certain units have been granted to eligible employees. Holding Company has now amended and revised the plan to Employee Stock Option Plan 2021 ("ESOP Plan 2021") with effect from 20th December, 2022. This scheme would replace the earlier ESOP Plan 2021 and employees will receive equivalent value of grants under the new ESOP plan in lieu of the former Employee stock options.

2. Below is the details of input used for computing incremental fair value per option on the date of modification i.e. 20th December, 2022.

Particulars	ESOP Plan 2021
Modification date	20th December, 2022
Weighted average share price/market price (₹ per share)	22,591.65
Exercise price (₹ per share)	10
Expected volatility	33.05%
Life of the options granted (vesting and exercise period) in years	3.1 Years
Expected dividends	-
Average risk-free interest rate	7.00%
Fair value of option (₹ per share)	32,186.37

Notes
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(All amounts in ₹ lakhs, unless otherwise stated)

38. RELATED PARTY TRANSACTIONS

Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for year ended 31st March, 2023.

A. Enterprises exercising control

(i) Ultimate Holding Company (effective from 10th January, 2023)	Unilever PLC
(ii) Holding Company (effective from 10th January, 2023)	Hindustan Unilever Limited

B. Other Related Parties with whom the Company had transactions during the year

(i) Key Management Personnel	
(a) Executive directors	Mihir Gadani and Aarti Gill
(ii) Relative of Key management Personnel	Nikhil Gill and Veena Gadani

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as at 31st March, 2023, 31st March, 2022 and 01st April, 2021.

	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 01st April, 2021
Holding Company			
Issue of equity shares	10,236.08	-	-
Key Management Personnel (Executive directors)			
Remuneration	119.57	119.68	
Outstanding as at the year end:			
– Borrowing	1.01	1.50	0.50
– Remuneration payable	-	20.01	8.00
Relative of Key Management Personnel			
Remuneration (including Share based payment) Mr. Nikhil Gill	94.01	23.50	21.81
– Rent Paid	6.40	5.40	5.40
– Deposit paid	-	-	2.00
Outstanding as at the year end:			
– Deposits (Receivable)	2.00	2.00	2.00
– Salary payable	-	1.45	1.50
– Rent Outstanding to be paid (Payable)	0.36	0.41	0.41
– Loans & advances	-	1.00	

D. Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended 31st March, 2023, 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.

There have been no guarantees provided or received for any related party receivables or payables except as disclosed in Note 18(5) of financial statements.

For the year ended 31st March, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2022: ₹ Nil). 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.

39. DISCLOSURE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Group has not made any investment, given any guarantees or provided any security covered under Section 186 and accordingly, the disclosure requirements to that extent does not apply to the Group.

(All amounts in ₹ lakhs, unless otherwise stated)

40. RATIOS

No.	Name of the Ratio	Numerator	Denominator	FY 2022-23	FY 2021-22	% Variance	Reason for variance more than 25%
1.	Current Ratio (in times)	Current assets	Current liabilities	3.3	1.3	149.6%	Increase in Current ratio is on account of increase in bank balance owing to fund raise from Holding Company.
2.	Debt - Equity Ratio (in times)	Total debt	Equity	0.1	(1.6)	-108.4%	Ratio has improved in current year due to – Repayment of debt – Fund raise of ₹ 9,000 Lakhs approx. from Holding Company.
3.	Debt Service coverage ratio* (in times)	Earnings available for debt service	Total debt service	3.7	(0.2)	-1873.2%	Ratio has improved in current year due to reporting of profit due to Ind AS adjustment on account of gain on CCPS.
4.	Return on equity (in %)	Net profit - preferred dividends	Average shareholder equity	-99.5%	8.6%	-1,263.9%	The ratio has been impacted due to IndAs adjustments.
5.	Inventory Turnover Ratio (in times)	Sales	Average inventory	0.7	0.7	0.2%	No explanation required
6.	Trade receivables turnover ratio (in times)	Net sales	Average accounts receivables	2.4	9.1	-73.3%	Impacted due to increase in bank balance on account of funds received from Holding Company.
7.	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	0.6	0.6	-1.1%	
8.	Net capital turnover ratio (in times)	Net sales	Working Capital	1.1	3.4	-66.4%	Profit has been generated in current financial year due to gain recorded on account of extinguishment of CCPS terms on account of acquisition by Holding Company.
9.	Net profit ratio (in %)	Net profit	Net sales	58.7%	-50.3%	-216.6%	Profit has been generated in FY23 due to gain recorded on account of reversal of CCPS liability
10.	Return on capital employed (in %)	Earning before interest and taxes	Capital employed	63.3%	-45.4%	-239.5%	Profit has been generated in current financial year due to gain recorded on account of extinguishment of CCPS terms on account of acquisition by Holding Company.
11.	Return on investment (in %)			NA	NA	NA	No explanation required

Definitions:

(a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

(b) Debt service = Interest & Lease Payments + Principal Repayments

(c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2

(d) Net credit sales = Net credit sales consist of gross credit sales minus sales return

(e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2

(f) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return

(g) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2

(h) Working capital = Current assets - Current liabilities.

(i) Earning before interest and taxes = Profit before exceptional items and tax + Finance costs - Other Income

(j) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

(k) Return on Investment

$$\frac{\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}}{\{MV(T0) + \text{Sum } [W(t) * C(t)]\}}$$

Notes

to consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

where,

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as [T1 – t] / T1

41. During the year, the Holding Company has granted 1,000 Employee Stock Options (ESOPs) of fair value of ₹ 196.66 lakhs on the grant date (1st April, 2022) to an employee belonging to the promoter group which was not exercised. This has resulted in contravention of the provisions of Section 62(1) of the Companies Act, 2013 ("the Act") read with 'Rule 12 - Issue of Employee Stock Options' of the Companies (Share Capital and Debentures) Rules, 2014 and the Employee Stock Option Plan, 2021 of the Company.

Pending assessment of penalties that may be levied pursuant to contravention of the above-mentioned provisions of the Act read with relevant rules thereunder, no adjustments have been made to the financial statements in respect of this matter.

42. The main business of the Group is sales of Health, nutrition & beauty products. All other activities of the Company are incidental to the main business. Further, the Group caters mainly to the needs of the domestic market. Accordingly, there are no separate reportable segments in terms of the Ind AS 108 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

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

44. DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

45. NO TRANSACTIONS TO REPORT AGAINST THE FOLLOWING DISCLOSURE REQUIREMENTS AS NOTIFIED BY MCA PURSUANT TO AMENDED SCHEDULE III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

- i. Wilful defaulter
- ii. Utilisation of borrowed funds & share premium
- iii. Discrepancy in utilization of borrowings
- iv. Current maturity of long term borrowings

46. Previous year's financial statements were audited by a firm of Chartered Accountants other than B S R & Co. LLP.

As per our report of even date attached

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

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 02nd June, 2023

For and on behalf of the Board of Directors of
Zywie Ventures Private Limited
CIN: U74900CH2013PTC034657

Mihir Gadani
Director
[DIN: 06436118]

Mumbai: 02nd June, 2023

Aarti Gill
Director
[DIN: 06625860]

Mumbai: 02nd June, 2023