

Pratyaya E-Commerce Private Limited
Balance Sheet as at March 31, 2023

Amount in Lakhs

	Notes	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
ASSETS				
I Non-current assets				
(a) Property, plant and equipment	3	13.95	10.62	11.01
(b) Deferred tax assets (net)	4	148.64	3.01	2.98
(c) Non-current tax assets (net)	5	1.14	1.11	16.81
Total - Non-current assets		163.73	14.74	30.80
II Current assets				
(a) Inventories	6	483.69	99.23	150.72
(b) Financial assets				
(i) Trade receivables	7	109.86	28.46	36.61
(ii) Cash and cash equivalents	8	55.52	1.07	1.87
(iii) Bank balance other than Cash and cash equivalents	9	4.00	4.00	5.09
(iv) Other financial assets	10	15.62	3.22	6.25
(c) Other current assets	11	147.91	89.03	81.52
Total - Current assets		816.60	225.01	282.06
TOTAL - ASSETS		980.33	239.75	312.86
EQUITY AND LIABILITIES				
I Equity				
(a) Equity share capital	12	3.95	1.33	1.33
(b) Other equity	13	(556.99)	(610.58)	(230.18)
Total - Equity		(553.04)	(609.25)	(228.85)
II Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	-	204.01	41.52
(b) Provisions	15	13.96	21.10	-
Total - Non-current liabilities		13.96	225.11	41.52
III Current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	991.42	220.87	75.52
(ii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises	17	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	17	440.81	383.93	393.94
(iii) Other financial liabilities	18	7.48	5.51	18.69
(b) Provisions	19	2.69	0.70	1.56
(c) Other current liabilities	20	77.01	12.88	10.48
Total - Current liabilities		1,519.41	623.89	500.19
Total - Liabilities		1,533.37	849.00	541.71
TOTAL - EQUITY AND LIABILITIES		980.33	239.75	312.86
Summary of significant accounting policies	2.3			

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

As per our report of even date

For S.R. Garimella & Co.

Chartered Accountants

ICAI Firm Registration No. 0008915

For and on behalf of the Board of Directors of

Pratyaya E-Commerce Private Limited

Sai Sandeep Garimella D P

Partner

Membership No.: 227200

Place: Hyderabad

Date : May 11, 2023

Manish Singhai

(Director)

(DIN: 09657669)

Place: Bengaluru

Date : May 11, 2023

G Bala Satish

(Director)

(DIN: 07013884)

Place: Visakhapatnam

Date : May 11, 2023

Pratyaya E-Commerce Private Limited
Statement of Profit and Loss for the year ended March 31, 2023

Amount in Lakhs

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
I Revenue from operations	21	1,635.77	1,181.74
II Other income	22	0.41	0.22
III Total income (I + II)		1,636.18	1,181.96
IV Expenses			
(a) Purchase of stock-in-trade	23a	1,169.82	482.57
(b) Changes in inventories of stock-in-trade	23b	(384.46)	51.49
(c) Employee benefits expense	24	260.23	190.81
(d) Finance costs	25	66.38	84.09
(e) Depreciation and amortisation expense	26	4.73	2.69
(f) Other expenses	27	1,188.15	750.73
Total expenses		2,304.85	1,562.38
V Profit / (Loss) before tax (III - IV)		(668.67)	(380.42)
VI Income tax expense			
(a) Current tax	28	-	-
(b) Deferred tax	28	(147.97)	(0.02)
		(147.97)	(0.02)
VII Profit / (Loss) for the year (V - VI)		(520.70)	(380.40)
VIII Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		9.21	-
Income tax effect on above		(2.31)	-
Total other comprehensive income/ (loss) for the year		6.90	-
IX Total comprehensive income/ (loss) for the year (VII + VIII)		(513.80)	(380.40)
X Earnings per equity share [Nominal value of share ₹ 1 (PY 31st March, 2022 ₹ 1 per share)]	29		
Basic (₹)		(165.85)	(285.30)
Diluted (₹)		(165.85)	(285.30)
Summary of significant accounting policies	2.3		

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

As per our report of even date

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

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

Sai Sandeep Garimella D P
Partner
Membership No.: 227200
Place: Hyderabad
Date : May 11, 2023

Manish Singhai
(Director)
(DIN: 09657669)
Place: Bengaluru
Date : May 11, 2023

G Bala Satish
(Director)
(DIN: 07013884)
Place: Visakhapatnam
Date : May 11, 2023

Pratyaya E-Commerce Private Limited

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

a. Equity share capital

	As at March 31, 2023		As at March 31, 2022		As at April 1, 2021	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Equity shares of ₹ 1 each issued						
As at the beginning of the year	133,333	1.33	133,333	1.33	133,333	1.33
Increased during the year	261,617	2.62	-	-	-	-
As at the end of the year	394,950	3.95	133,333	1.33	133,333	1.33

	As at March 31, 2023		As at March 31, 2022		As at April 1, 2021	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Equity shares of ₹ 1 each subscribed and paid up						
As at the beginning of the year	133,333	1.33	133,333	1.33	133,333	1.33
Increased during the year	261,617	2.62	-	-	-	-
As at the end of the year	394,950	3.95	133,333	1.33	133,333	1.33

b. Other equity

	Reserves and Surplus		Other comprehensive income	Total other equity
	Retained earnings	Securities premium	Remeasurement gains/ (losses) on defined benefit plans (Refer Note - 13)	
As at April 01, 2022	(791.25)	180.67	-	(610.58)
Loss for the year	(520.70)	-	-	(520.70)
Other comprehensive income for the year	-	-	6.89	6.89
Premium received on issue of equity shares	-	567.38	-	567.38
As at March 31, 2023	(1,311.94)	748.05	6.89	(557.00)
As at April 01, 2021	(410.85)	180.67	-	(230.18)
Loss for the year	(380.40)	-	-	(380.40)
As at March 31, 2022	(791.25)	180.67	-	(610.58)

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

As per our report of even date

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

Chartered Accountants
ICAI Firm Registration No. 000891S

Partner
Membership No.: 227200

Place: Hyderabad
Date : May 11, 2023

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Date : May 11, 2023

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(Director)
(DIN: 07013884)
Place: Visakhapatnam
Date : May 11, 2023

Pratyaya E-Commerce Private Limited
Statement of Cash Flows for the year ended March 31, 2023

₹ in Lakhs

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities			
Loss after tax		(659.46)	(380.42)
Adjustments for:			
Depreciation and amortisation expense	26	4.73	2.69
Interest income	22	(0.41)	(0.22)
Finance costs	25	66.38	84.09
Bad debts written off	27	-	12.26
Operating profit before working capital changes		(588.76)	(281.60)
Changes in working capital:			
(Increase)/ decrease in trade receivables		(81.40)	(4.11)
(Increase)/ decrease in inventories		(384.46)	51.49
(Increase)/ decrease in other assets		(58.88)	(7.51)
(Increase)/ decrease in other current financial assets		(11.96)	4.36
Increase/ (decrease) in trade payables		56.88	(10.01)
Increase/ (decrease) in provisions		1.99	(0.86)
Increase/ (decrease) in other liabilities		64.13	2.40
Increase/ (decrease) in other current financial liabilities		(4.17)	(13.18)
Increase/ (decrease) in provisions - non-current		(7.14)	21.10
Increase/(decrease) in other non-current assets		-	-
Cash generated from operations		(425.01)	43.68
Income taxes paid (net of refund)/refund received		(0.03)	15.70
Net cash flows used in operating activities		(1,013.80)	(222.22)
Cash flows from investing activities			
Purchase of property, plant and equipment		(8.06)	(2.32)
Net cash flows used in investing activities		(8.06)	(2.32)
Cash flows from financing activities			
Proceeds from issue of equity shares		570.00	-
Proceeds/ (repayment) of non-current borrowings (net off charges)		(204.01)	162.49
Proceeds/ (repayments) of current borrowings (net)		770.55	145.35
Interest paid		(60.23)	(84.09)
Net cash flows from financing activities		1,076.31	223.75
Net Increase/(Decrease) in cash and cash equivalents		54.45	(0.79)
Cash and cash equivalents at the beginning of the year		1.07	1.87
Cash and cash equivalents at the end of the year	8	55.52	1.07
Components of Cash and cash equivalents			
Balances with banks - on current accounts		55.45	0.61
Cash on hand		0.07	0.46
		55.52	1.07
Total Cash and cash equivalents		55.52	1.07

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

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

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

Sai Sandeep Garimella D P
Partner
Membership No.: 227200
Place: Hyderabad
Date : May 11, 2023

Manish Singhai
(Director)
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Place: Bengaluru
Date : May 11, 2023

G Bala Satish
(Director)
(DIN: 07013884)
Place: Visakhapatnam
Date : May 11, 2023

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

1. Corporate information

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

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

The financial statements have been approved by the Board of Directors in their meeting held on May 11, 2023.

2. Significant accounting policies

2.1 Basis of preparation

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

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);

As these are the Company’s first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance is provided in Note 34.

2.2 Functional and Presentation Currency:

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

2.3 Summary of significant accounting policies

(I) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

Pratyaya E-Commerce Private Limited

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

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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

(II) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM'). Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Corporate (unallocated) represents assets, liabilities, income and expenses which relate to the Company as a whole and are not allocated to the segments.

(III) Fair value measurements and hierarchy

The Company measures financial instruments, such as investments (other than equity investments in subsidiaries and joint ventures) and derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on its nature, characteristics and risks:

- Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(IV) Revenue from contracts with customers

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

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

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

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

Revenue from sale of products

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

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

Interest income

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

(V) Taxes

Current tax

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in India.

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and deferred tax relating to items recognised outside the Statement of Profit and Loss are recognised outside the Statement of Profit and Loss (either in OCI or in equity). Current tax and deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

(VI) Property, plant and equipment

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

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. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss, during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost net of accumulated impairment losses, if any.

Depreciation methods, estimated useful lives and residual value

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

- (a) Assets where useful life is same as Schedule II

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Other office equipment	5 years

- (b) Assets where useful life differ from Schedule II

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Furniture and fittings (other than retail stores)	10 years	7 years
Computer equipment	3 years	4 years

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

Based on managements' assessment, items of property, plant and equipment individually costing less than five thousand rupees, are depreciated within the same year from the date the asset is ready to use or useful life of class of asset to which these assets belong.

Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within other gains/ losses.

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

(VII) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment based on internal/ external factors. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An asset's recoverable amount is higher of an asset's or cash-generating unit's (CGUs) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rates, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

(VIII) 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.

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the Statement of Profit and Loss are recognised immediately in the Statement of Profit and Loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories:

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

(a) Non-derivative financial assets

(i) Financial assets at amortised cost

Financial asset is measured at amortised cost using Effective Interest Rate (EIR), if both the conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective Interest Rate (EIR) method:

The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is recognised in the Statement of Profit and Loss and is included in the 'Other income' line item.

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

An instrument shall be measured at FVTOCI, if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Financial assets included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction cost. Fair value movements are recognised in other comprehensive income. However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain/ (loss) in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria (refer above) are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or financial assets that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets:

The Company applies simplified approach of expected credit loss model for recognising impairment loss on trade receivables, trade receivables, other contractual rights to receive cash or other financial asset.

(b) Non derivative financial liabilities

(i) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(1) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(2) Financial liabilities:

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading, if:

- It has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or

Pratyaya E-Commerce Private Limited

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

- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may, be designated as at FVTPL upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss.

However, financial liabilities that are not held-for-trading and are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the Statement of Profit and Loss, in which case these effects of changes in credit risk are recognised in the Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in the Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in other comprehensive income under other equity and are not subsequently reclassified to the Statement of Profit and Loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

(ii) Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss

Pratyaya E-Commerce Private Limited

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

over the period of borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as the transaction cost of the loan to the extent it is probable that some or all of the facility will be drawn down, the fees are deferred until the draw down occurs. To the extent that there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity and amortised over the period of facility to which it relates.

(iii) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss, except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Statement of Profit and Loss, and other changes in the fair value of FVTOCI financial assets are recognised in OCI.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

De-recognition of financial assets and financial liabilities

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

The Company de-recognises financial liabilities only when the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The

Pratyaya E-Commerce Private Limited

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

difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(IX) Inventories

Traded goods are valued at cost or net realisable value, whichever is lower. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

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

(X) Provisions and contingent liabilities

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursements.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(XI) Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

(b) Defined contribution plan

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

The Company makes defined contribution to the Government Employee Provident Fund and Superannuation Fund, which are recognised in the Statement of Profit and Loss, on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

(c) Defined benefit plan

The Company operates a defined benefit gratuity plan in India. The Company contributes to a gratuity fund maintained by an independent insurance company. The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the Statement of Profit and Loss. Re-measurement gains or losses and return on plan assets (excluding amounts included in net Interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the Statement of Profit and Loss.

(XII) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Earnings, considered in ascertaining the Company's earnings per share, is the net profit for the period after deducting preference dividends.

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

(XIII) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet and for the purpose of the Statement of Cash Flows comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months and short-term highly liquid investments with an original maturity of three months or less net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3. Standards issues but not yet effective:

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended the following accounting standards. These amendments are effective from April 01, 2022 and early adoption is permitted in some cases.

- a) Ind AS 16, Property Plant and equipment
- b) Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The above amendments are not likely to have any material impact on the financial statements of the Company for the current or future reporting period.

Pratyaya E-Commerce Private Limited
Notes to the financial statements for year ended March 31, 2023
NOTE: 3
PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

	Computers	Furniture and fixtures	Office equipment	Total
Deemed Cost				
As at April 1, 2022	11.87	7.61	7.94	27.42
Additions	5.12	0.22	2.72	8.06
As at March 31, 2023	16.99	7.83	10.66	35.48
As at April 1, 2021				
As at April 1, 2021	9.65	7.61	7.84	25.10
Additions	2.22	-	0.10	2.32
As at March 31, 2022	11.87	7.61	7.94	27.42
Depreciation				
As at April 1, 2022	8.16	2.45	6.19	16.80
Depreciation for the year (Refer Note - 26)	2.03	1.49	1.21	4.73
As at March 31, 2023	10.19	3.94	7.40	21.53
As at April 1, 2021				
As at April 1, 2021	7.04	1.80	5.27	14.11
Depreciation for the year (Refer Note - 26)	1.13	0.65	0.91	2.69
As at March 31, 2022	8.16	2.45	6.19	16.80
Net carrying value as at:				
April 1, 2021	2.61	5.81	2.57	10.99
March 31, 2022	3.70	5.16	1.76	10.62
March 31, 2023	6.79	3.89	3.26	13.95
Net carrying value				
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	
Property, plant and equipment	13.95	10.62	11.01	
Total	13.95	10.62	11.01	

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

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

On account of such revision in estimated useful life, the Company has accounted for additional depreciation amounting to INR10,239.

Pratyaya E-Commerce Private Limited
Notes to the financial statements for year ended March 31, 2023

NOTE: 4
DEFERRED TAX ASSETS (NET)

Reflected in the Balance Sheet as follows:

	₹ in Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Deferred tax assets	148.63	3.01	2.98
Deferred tax assets/ (liabilities) (net)	148.63	3.01	2.98

NOTE: 5
NON-CURRENT TAX ASSETS

	₹ in Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at 1 April 2021
Tax deducted at source & Advance income tax	1.14	1.11	16.81
Total	1.14	1.11	16.81

Pratyaya E-Commerce Private Limited
Notes to the financial statements for year ended March 31, 2023

NOTE: 6
INVENTORIES

	₹ in Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
<i>At lower of cost and net realisable value</i>			
Stock-in-trade	483.69	99.23	150.72
Total	483.69	99.23	150.72

NOTE: 7
TRADE RECEIVABLES

	₹ in Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Trade receivables from others	109.86	28.46	36.61
	109.86	28.46	36.61
Less: Loss Allowances	-	-	-
Total	109.86	28.46	36.61

Ageing of Trade Receivables:

Particulars	₹ in Lakhs					
	Outstanding as on March 31, 2023 (for following periods from due date of payment)					
	Not due	0 - 6 months	6 months - 1 year	1-2 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	26.31	83.55	-	-	-	109.86
Total	26.31	83.55	-	-	-	109.86

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

For terms and conditions relating to related party receivables, refer Note - 32.

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

The Company has evaluated credit risk for e-commerce b2b, e-commerce b2c for receivables outstanding as at March 31, 2023. The Company follows the simplified approach method for computing the expected credit loss. The Company does not have an historical credit loss experience to adjust forward looking estimates and macro-economic factors. The Company has assessed the credit risk on an individual basis and has identified all trade receivables to be good and secured. Hence there has been no expected credit loss adjustment computed for the period ended March 31, 2023.

NOTE: 8
CASH AND CASH EQUIVALENTS

	₹ in Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Balances with banks			
Current accounts	55.45	0.61	0.53
Cash on hand	0.07	0.46	1.34
Total	55.52	1.07	1.87

Pratyaya E-Commerce Private Limited
Notes to the financial statements for year ended March 31, 2023

NOTE: 9

BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	₹ in Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)*	4.00	4.00	5.09
Total	4.00	4.00	5.09

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

NOTE: 10

CURRENT FINANCIAL ASSETS - OTHERS

	₹ in Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Security Deposits	15.00	3.00	6.25
Interest accrued on deposits	0.62	0.22	-
Total	15.62	3.22	6.25

NOTE: 11

OTHER CURRENT ASSETS

	₹ in Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Prepayments	0.53	-	26.97
Advances to employees	0.82	24.93	15.18
Advance to suppliers	0.67	-	-
Right to return assets	11.30	-	-
Other Advances	0.73	3.32	7.57
Balances with government authorities (other than income tax)	133.86	60.78	31.80
Total	147.91	89.03	81.52

Pratyaya E-Commerce Private Limited
Notes to the financial statements for year ended March 31, 2023

NOTE: 12

EQUITY SHARE CAPITAL

Authorised share capital

	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Equity Shares						
10,00,000 equity shares of Rs.1/- each	1,000,000	10.00	1,000,000	10.00	1,000,000	10.00
	1,000,000	10.00	1,000,000	10.00	1,000,000	10.00

Issued equity share capital

	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
As at the beginning of the year	133,333	1.33	133,333	1.33	133,333	1.33
Increase during the year	261,617	2.62	-	-	-	-
As at the end of the year	394,950	3.95	133,333	1.33	133,333	1.33

Pratyaya E-Commerce Private Limited**Notes to the financial statements for year ended March 31, 2023****Issued, Subscribed and paid-up equity share capital**

	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
As at the beginning of the year	133,333	1.33	133,333	1.33	133,333	1.33
Increase during the year	261,617	2.62	-	-	-	-
As at the end of the year	394,950	3.95	133,333	1.33	133,333	1.33

(i) Shares held by Promoters :

Promoter name	As at March 31, 2023		As at March 31,2022		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Katakam Venkata Karthik	47,333	11.98%	47,333	35.50%	-23.52%
Bala Satish Gurlinka	47,333	11.98%	47,333	35.50%	-23.52%
Aditya Birla Digital Fashion Ventures Limited	261,613	66.24%	-	0.00%	66.24%

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

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

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

Pratyaya E-Commerce Private Limited

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

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

Name of the shareholder	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	No. of shares held	% of paid-up share capital	No. of shares held	% of paid-up share capital	No. of shares held	% of paid-up share capital
Aditya Birla Digital Fashion Ventures Limited	261,613	66.24%	-	-	-	-
Katakam Venkata Karthik	47,333	11.98%	47,333	35.50%	47,333	35.50%
Bala Satish Gurlinka	47,333	11.98%	47,333	35.50%	47,333	35.50%
Rakhee Rakesh Agrawal	33,333	8.44%	33,333	25.00%	33,333	25.00%

During the year, Aditya Birla Digital Fashion Venture Private Limited, invested 261,613 shares pursuant to a Share Purchase Agreement dated July 22, 2022. These shares were valued at INR 217.88 per share. The change in shareholding pattern is on account of acquisition of shares by Aditya Birla Digital Fashion Venture Private Limited.

NOTE: 13

Reserves and surplus

Retained earnings	₹ in Lakhs	
	As at March 31, 2023	As at March 31, 2022
As at the beginning of the year	(791.25)	(410.85)
Add: Loss for the year	(520.70)	(380.40)
As at the end of the year	(1,311.94)	(791.25)

Pratyaya E-Commerce Private Limited
Notes to the financial statements for year ended March 31, 2023

Securities premium	₹ in Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 1, 2022
As at the beginning of the year	180.67	180.67	180.67
Add: Premium received on issue of equity shares	567.38	-	-
As at the end of the year	748.05	180.67	180.67
Other comprehensive income			
	As at March 31, 2023	As at March 31, 2022	As at April 1, 2022
Remeasurement gains/ (losses) on defined benefit plans			
As at the beginning of the year	-	-	-
Gains/ (losses) during the year	6.89	-	-
As at the end of the year	6.89	-	-
Total	(557.00)	(610.58)	

Pratyaya E-Commerce Private Limited

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

Other equity

	₹ in Lakhs	
	As at	As at
	March 31, 2023	March 31, 2022
Reserves and surplus		
Retained earnings	(1,311.94)	(791.25)
Securities premium	748.05	180.67
Other comprehensive income	6.89	-
Total	(557.00)	(610.58)

1. Retained earnings

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

2. Remeasurement gains/ (losses) on defined benefit plans

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

Pratyaya E-Commerce Private Limited
Notes to the financial statements for year ended March 31, 2023

NOTE: 14

NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Term loan from HDFC bank (TUF) (Secured) ⁶	-	2.17	4.88
Term loan from NBFC	-	8.79	11.65
Loan from other Related Parties	-	-	-
Other borrowings (Unsecured) *	-	193.05	24.99
Total	-	204.01	41.52

*Loans relating to previous year ended March 31, 2022 have been repaid during the current year

Pratyaya E-Commerce Private Limited
Notes to the financial statements for year ended March 31, 2023

NOTE: 15
NON-CURRENT PROVISIONS

	₹ in Lakhs		
	As at	As at	As at
	March 31, 2023	March 31, 2022	April 01, 2021
Employee benefit obligation			
Provision for gratuity (Refer Note - 31)	13.96	21.10	-
Total	13.96	21.10	-

NOTE: 16
CURRENT FINANCIAL LIABILITIES - BORROWINGS

	₹ in Lakhs				
	Effective	Repayment	As at	As at	As at
	interest rate	Terms	March 31, 2023	March 31, 2022	April 01, 2021
	% p.a.				
Cash credit/ Working capital demand loan (secured)	MCLR- 6M+ Spread P.A		221.42	132.92	25.52
Loan from other Related Parties			-	-	-
Loan repayable on demand (Unsecured)	SBI 6 months MCLR + 1.00%	On demand	770.00	87.95	50.00
Total current borrowings			991.42	220.87	75.52

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

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

NOTE: 18

CURRENT FINANCIAL LIABILITIES - OTHERS

	₹ in Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Interest Accrued and due on Borrowing (Refer Note - 32)	5.53	-	0.67
Employee Payable	1.95	5.51	18.02
Total	7.48	5.51	18.69

NOTE: 19

CURRENT PROVISIONS

	₹ in Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Employee benefit obligation			
Provision for gratuity (Refer Note - 31)	2.69	0.70	1.56
Total	2.69	0.70	1.56

NOTE: 20

OTHER CURRENT LIABILITIES

	₹ in Lakhs		
	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
Deferred revenue	26.31	-	-
Statutory dues (other than income tax)	9.12	12.88	10.48
Refund liabilities	41.58	-	-
Total	77.01	12.88	10.48

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

NOTE: 21
REVENUE FROM OPERATIONS

	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from sale of products		
Sale of products	1,635.77	1,181.74
Total	1,635.77	1,181.74

(a) Contract balances:

	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Contract assets		
Trade receivables	109.86	28.46

(b) Reconciliation of revenue as recognised in the Statement of Profit and Loss with the contracted price:

	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contracted price	2,407.81	1,790.51
Less: Sales return	(772.04)	(608.77)
Revenue as per the Statement of Profit and Loss	1,635.77	1,181.74

NOTE: 22
OTHER INCOME

	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest income	0.41	0.22
Total	0.41	0.22

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

NOTE: 23
PURCHASE OF STOCK-IN-TRADE

	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
(a) Purchase of stock-in-trade		
Purchase of stock-in-trade	1,169.82	482.57
Total	1,169.82	482.57
(b) Changes in inventories of stock-in-trade		
Opening inventories		
Stock-in-trade	99.23	150.72
	99.23	150.72
Less:		
Closing inventories		
Stock-in-trade	483.69	99.23
	483.69	99.23
(Increase)/Decrease in inventories	(384.46)	51.49

NOTE: 24
EMPLOYEE BENEFITS EXPENSE

	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	252.17	167.80
Contribution to provident and other funds	2.00	-
Gratuity expense (Refer Note - 31)	4.06	21.80
Staff welfare expenses	2.00	1.22
Total	260.23	190.81

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

NOTE: 25
FINANCE COSTS

	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on borrowings	2.08	25.41
Other borrowing cost	1.03	31.91
Interest on loans from directors and related parties (Refer Note - 32)	14.65	26.77
Interest on inter corporate deposit (Refer Note - 32)	48.62	-
Total	66.38	84.09

NOTE: 26
DEPRECIATION AND AMORTISATION EXPENSE

	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment (Refer Note - 3)	4.73	2.69
Total	4.73	2.69

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

NOTE: 27
OTHER EXPENSES

	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
Electricity charges	0.43	2.27
Rent	17.39	13.18
Repairs and maintenance		
Others	2.98	5.31
Insurance	0.26	-
Rates and taxes	14.19	1.31
Bad debts written off	-	12.26
Advertisement and sales promotion	866.36	528.64
Transportation and handling charges	146.66	141.75
Legal and professional expenses	19.84	-
Printing and stationery	18.71	1.51
Travelling and conveyance	8.87	1.25
Communication expenses	0.15	0.15
Bank and credit card charges	31.28	10.93
Payment to auditors (Refer details below)	1.50	1.00
Postage expenses	0.17	0.04
Information technology expenses	50.10	30.17
Commission Expenses	8.61	0.96
Miscellaneous expenses	0.64	-
Total	1,188.14	750.73

Payment to auditors:

	₹ in Lakhs	
	Year ended March 31, 2023	Year ended March 31, 2022
For audit fees	1.50	1.00
Total	1.50	1.00

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

NOTE: 28

INCOME TAX EXPENSE

The major components of income tax (income)/ expense are:

Statement of Profit and Loss:

Profit or loss section

		Year ended March 31, 2023	Year ended March 31, 2022
Current income tax			
Current income tax charge		-	-
	(A)	-	-
Deferred tax			
Relating to origination and reversal of temporary differences		(147.96)	(0.02)
	(B)	(147.96)	(0.02)
Total	(A+B)	(147.96)	(0.02)

OCI section

Deferred tax related to items recognised in OCI during the year

	Year ended March 31, 2023	Year ended March 31, 2022
Net (gains)/ losses on re-measurement of defined benefit plans	9.21	-
Tax on above	(2.32)	-
Total	6.89	-

Deferred tax movement

Particulars	Opening balance	(Charge) / credit to profit or loss	March 31, 2023	
			Charge / credit to OCI	Closing balance
Property, plant and equipment	2.98	(3.45)	-	(0.47)
Provision for gratuity	-	1.30	-	1.30
Provision for sales return	-	7.62	-	7.62
Unabsorbed Business Loss	-	142.50	-	142.50
Other comprehensive income	-	-	(2.32)	(2.32)
	2.98	147.96	(2.32)	148.63

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

NOTE: 29
EARNINGS PER SHARE (EPS)

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

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

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

		Year ended March 31, 2023	Year ended March 31, 2022
Profit / (Loss) as per the Statement of Profit and Loss (₹ in Lakhs)		(520.70)	(380.40)
Loss for calculation of EPS (₹ in Lakhs)	(A)	(520.70)	(380.40)
Weighted average number of equity shares for calculation of Basic EPS	(B)	313,956	133,333
Basic EPS (₹)	(A/B)	(165.85)	(285.30)
Weighted average number of equity shares outstanding		313,956	133,333
Weighted average number of potential equity shares*		-	-
Weighted average number of equity shares for calculation of Diluted EPS		313,956	133,333.00
Diluted EPS (₹)	(C)	(165.85)	(285.30)
Nominal value of shares (₹)		1.00	1.00

Pratyaya E-Commerce Private Limited

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

NOTE - 30

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

(a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

(b) Employee benefit plans

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

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

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

(c) Going concern

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

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

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

NOTE - 31
GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

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

Unfunded defined benefit plan

Net benefit expense recognised through the Statement of Profit and Loss

	₹ in Lakhs	
	Year ended	Year ended
	March 31, 2023	March 31, 2022
Current service cost	2.50	3.45
Past Service Cost	-	18.35
Interest cost on defined benefit obligation	1.56	-
Total	4.06	21.80

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

	₹ in Lakhs	
	As at	As at
	March 31, 2023	March 31, 2022
Opening defined benefit obligation	21.80	3.45
Current service cost	2.50	-
Interest cost on defined benefit obligation	1.56	-
Actuarial (gain)/ loss on account of:	-	-
Changes in demographic assumptions	(0.33)	-
Changes in financial assumptions	4.43	-
Experience adjustments	(13.31)	-
Past Service Cost	-	18.35
Actuarial (gain)/ loss recognised in OCI	(9.21)	-
Benefits paid	-	-
Liabilities assumed/ (settled)*	-	-
Closing defined benefit obligation	16.65	21.80

Amounts recognised in the Balance Sheet

	₹ in Lakhs	
	As at	As at
	March 31, 2023	March 31, 2022
Present value of the defined benefit obligation at the end of the year:		
Unfunded	16.65	21.80
	16.65	21.80
Net liability is classified as follows:		
Current	2.69	0.70
Non-current	13.96	21.10
Net liability	16.65	21.80

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

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

	As at March 31, 2023	As at March 31, 2022
Discount rate		
Unfunded plan	7.45%	7.16%
Salary escalation rate		
Unfunded plan		
Salary growth rate	8.00%	5.00%

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

A quantitative sensitivity analysis for significant assumptions is as follows:

Sensitivity level	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	15.67	17.75	24.46	19.58	0.00	0.00
(% change compared to base due to sensitivity)	-5.90%	6.60%	12.20%	-10.20%	0.00%	0.00%
Salary Growth Rate (- / + 1%)	17.57	15.77	20.23	23.79	0.00	0.00
(% change compared to base due to sensitivity)	5.50%	-5.30%	-7.20%	9.10%	0.00%	0.00%
Attrition Rate (- / + 1%)	16.63	16.66	18.74	24.56	0.00	0.00
(% change compared to base due to sensitivity)	-0.10%	0.10%	-14.00%	12.70%	0.00%	0.00%
Mortality Rate (- / + 10% of mortality rates)	16.65	16.65	21.75	21.85	0.00	0.00
(% change compared to base due to sensitivity)	-	-	-0.20%	0.20%	0.00%	0.00%

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

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

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

	31-Mar-23
weighted average duration (based on discounted cash flows)	6 years
Within the next 12 months (next annual reporting period)	2.69
Between 2 and 5 years	8.53
Between 6 and 10 years	7.36
Beyond 10 years	11.62

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

NOTE - 32
RELATED PARTY TRANSACTIONS

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

Name of related parties

Ultimate Holding Company

Aditya Birla Fashion and Retail Limited

Holding Company

Aditya Birla Digital Fashion Ventures Limited

Fellow Subsidiaries

Awesomfab Shopping Private Limited

Imperial Online Services Private Limited

Bewakoof Brands Private Limited

Key Management Personnel ("KMP")

Mr. Prashant Aluru - Nominee Director with effect from July 22, 2022

Mr. Manish Singhai - Nominee Director with effect from July 22, 2022

Mr. Bala Satish Gurlinka - Executive Director with effect from Dec 11, 2014

Mr. Katakam Venkata Karthik - Director resigned on July 22, 2022

Ms. Rakhee Rakesh Agarwal - Director resigned on July 22, 2022

Relative of Key Management Personnel ("KMP")

M Laasya - Wife of Mr Katakam Venkata Karthik

Body Corporate/Firm/Associate of Individuals/Proprietorship/Trust/LLP in which Director has interest/concern

Heckro Marketing LLP - Mr. Bala Satish Gurlinka, Partner

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

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

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

	Year ended March 31, 2022		
	Parent	KMP and Relative of KMP	Other related parties
Interest expenses	-	26.77	-
Remuneration paid to KMP*	-	53.02	-
Purchases	-	-	44.16
Loan Taken	-	429.65	-
Loan Paid	-	252.54	-

Balances outstanding

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

Balances outstanding

	As at March 31, 2022		
	Parent	KMP and Relative of KMP	Other related parties
Loan Payables	-	170.79	-

Balances outstanding

	As at April 01, 2021		
	Parent	KMP and Relative of KMP	Other related parties
Loan Payables	-	6.51	-

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Amount owed to and by related parties are unsecured and settlement occurs in cash. ***There have been no guarantees received or provided for any related party receivables or payables.*** For the year ended March 31, 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.

Compensation of Key Managerial Personnel (KMP) of the Company

	Year ended March 31, 2023
Short-term employee benefits	60.31
Post-employment benefits	-
Total	60.31

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

NOTE - 33

First time adoption of Ind AS

As stated in Note 2(a)(i), these are the Company's first financial statements prepared in accordance with Ind AS 1, Preparation and Presentation of financial statements. For the year ended 31 March 2021, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 1 have been applied in preparing these financial statements for the year ended 30 Sep 2022 including the comparative information for the year ended 31 March 2022 and the opening Ind AS balance sheet on the date of transition i.e., 1 April 2021.

In preparing its Ind AS balance sheet as at 1 April 2021 and in preparing the comparative information for the year ended 31 March 2022, the company has adjusted the amounts reported previously in financial statement prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements and how the transition from previous GAAP to Ind AS has affected the financial position, financial performance and cash flows.

Optional exemptions availed

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Ind AS optional exemptions availed

1. Property, plant and equipment & Intangible assets

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;
- or cost or depreciated cost under Ind AS

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

- (iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets as well.

Mandatory Exceptions

1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. There have been no estimates considered in preparation of the financial statements that were not required under the previous GAAP.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

Explanation of transition to Ind AS (Continued)

Reconciliation of assets and liabilities as at 1 April 2021 and as at March 31, 2022

Particulars	As at March 31, 2022			As at the date of April 01, 2021		
	Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
Assets						
Non-current assets						
Property, plant and equipment	10.62	-	10.62	11.01	-	11.01
Deferred tax assets (net)	3.01	-	3.01	2.98	-	2.98
Non-current tax assets (net)	1.11	-	1.11	16.81	-	16.81
Total - Non-current assets	14.74		14.74	30.80		30.80
Current assets						
Inventories	99.23	-	99.23	150.72	-	150.72
Financial assets						
(i) Trade receivables	28.46	-	28.46	36.61	-	36.61
(ii) Cash and cash equivalents	1.07	-	1.07	1.87	-	1.87
(iii) Bank balance other than Cash and cash	4.00	-	4.00	5.09	-	5.09
(iv) Other financial assets	3.22	-	3.22	6.25	-	6.25
Other current assets	89.03	-	89.03	81.52	-	81.52
Total current assets	225.01		225.01	282.06		282.06
Total assets	239.75		239.75	312.87		312.87
EQUITY AND LIABILITIES						
Equity share capital	1.33	-	1.33	1.33	-	1.33
Other equity	(610.58)	-	(610.58)	(230.18)	-	(230.18)
Total - Equity	(609.25)		(609.25)	(228.85)		(228.85)
LIABILITIES						
Non-current liabilities						
Financial liabilities						
Borrowings	204.01	-	204.01	41.52	-	41.52
Provisions	21.10	-	21.10	0.00	-	0.00
Total non-current liabilities	225.11		225.11	41.52		41.52
Current liabilities						
Financial liabilities						
Borrowings	220.87	-	220.87	75.52	-	75.52
Trade payables						
Total outstanding dues of micro enterprises and small enterprises	0.00	-	0.00	0.00	-	0.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	383.93	-	383.93	393.94	-	393.94
Other financial liabilities	5.51	-	5.51	18.69	-	18.69
Provisions	0.70	-	0.70	1.56	-	1.56
Other current liabilities	12.88	-	12.88	10.48	-	10.48
Total current liabilities	623.89		623.89	500.19		500.19
Total equity and liabilities	239.75		239.75	312.86		312.86

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

NOTE - 34

FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

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

As at March 31, 2023

	₹ in Lakhs						
	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Level 1	Fair value Level 2	Level 3
Financial assets							
Trade receivables (Refer Note - 7)	-	-	109.86	109.86	-	-	-
Cash and cash equivalents (Refer Note - 8)	-	-	55.52	55.52	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 17)	-	-	4.00	4.00	-	-	-
Other financial assets (Refer Notes - 10)	-	-	15.62	15.62	-	-	-
Total	-	-	185.00	185.00	-	-	-
Financial liabilities							
Non-current borrowings (Refer Note - 14)	-	-	-	-	-	-	-
Current borrowings (Refer Note - 16)	-	-	991.42	991.42	-	-	-
Trade payables (Refer Note - 17)	-	-	440.81	440.81	-	-	-
Other financial liabilities (Refer Notes - 23)	-	-	7.48	7.48	-	-	-
Total	-	-	1,439.71	1,439.71	-	-	-

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

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

The carrying value and fair value of financial instruments by categories as at March 31, 2022 are as follows:

As at March 31, 2022

	₹ in Lakhs						
	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Level 1	Level 2	Level 3
Financial assets							
Trade receivables (Refer Note - 7)	-	-	28.46	28.46	-	-	-
Cash and cash equivalents (Refer Note - 8)	-	-	1.07	1.07	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 17)	-	-	4.00	4.00	-	-	-
Other financial assets (Refer Notes - 10)	-	-	3.22	3.22	-	-	-
Total	-	-	36.75	36.75	-	-	-
Financial liabilities							
Non-current borrowings (Refer Note - 14)	-	-	204.01	204.01	-	-	-
Current borrowings (Refer Note - 16)	-	-	220.87	220.87	-	-	-
Trade payables (Refer Note - 17)	-	-	383.93	383.93	-	-	-
Other financial liabilities (Refer Notes - 23)	-	-	5.51	5.51	-	-	-
Total	-	-	814.32	814.32	-	-	-

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

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

The carrying value and fair value of financial instruments by categories as at April 01, 2021 are as follows:

As at April 01, 2021

	₹ in Lakhs						
	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Level 1	Fair value Level 2	Level 3
Financial assets							
Trade receivables (Refer Note - 7)	-	-	36.61	36.61	-	-	-
Cash and cash equivalents (Refer Note - 8)	-	-	1.87	1.87	-	-	-
Bank balance other than the cash and cash equivalents (Refer Note - 17)	-	-	5.09	5.09	-	-	-
Other financial assets (Refer Notes - 10)	-	-	6.25	6.25	-	-	-
Total	-	-	49.82	49.82	-	-	-
Financial liabilities							
Non-current borrowings (Refer Note - 14)	-	-	41.52	41.52	-	-	-
Current borrowings (Refer Note - 16)	-	-	75.52	75.52	-	-	-
Trade payables (Refer Note - 17)	-	-	393.94	393.94	-	-	-
Other financial liabilities (Refer Notes - 23)	-	-	18.69	18.69	-	-	-
Total	-	-	529.67	529.67	-	-	-

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

Key inputs for level 1 fair valuation techniques

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

B. Risk management objectives and policies

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

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

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

a) Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2023

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

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023

i) Interest rate risk

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

Interest rate sensitivity

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

	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Basis points (%)						
Increase/ (decrease) on loss before tax						
₹	1.11	(1.11)	0.66	(0.66)	0.13	(0.13)

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

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

Foreign currency sensitivity

The Company does not have exposure to foreign currency changes during the year ended 31st March 2023, 31st March 2022 and 1st April 2021.

b) Credit risk

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

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

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

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

The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2023, March 31, 2022 and April 1, 2021 is the carrying amount as provided in Note - 16.

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

c) Liquidity risk

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

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

As at March 31, 2023

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

As at March 31, 2022

₹ in Lakhs				
	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings		220.87	-	220.87
Other financial liabilities		5.51	-	5.51
Trade payables		383.93	-	383.93
Total		610.31	-	610.31

As at April 01, 2021

₹ in Lakhs				
	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings		75.52	-	75.52
Other financial liabilities		18.69	-	18.69
Trade payables		393.94	-	393.94
Total		488.15	-	488.15

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

NOTE - 35

CAPITAL MANAGEMENT

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

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

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

	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Short-term debts (including current maturities of long-term borrowings)	991.42	220.87	75.52
Long-term debts	-	204.01	41.52
Total borrowings	991.42	424.88	117.04
Equity	(553.04)	(609.25)	(228.85)

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

NOTE - 36

RATIO DISCLOSURES

	As at March 31, 2023	As at March 31, 2022	% Change	Reasons for variance more than 25%
Current ratio (times) ¹	0.54	0.36	-49.02%	Increase in current assets as compared to the liabilities have resulted in higher current ratio
Debt equity ratio (times) ²	-1.69	-0.69	-144.54%	Increase in debt during the year has resulted in higher debt equity ratio
Debt service coverage ratio (times) ³	-2.47	-1.54	-60.29%	Increase in Earnings before interest and tax and reduction in principal repayments compared to previous year
Return On Equity (%) ⁴	-90%	-91%	1.30%	Not Applicable
Inventory turnover (times) ⁵	5.61	9.46	40.65%	Increase in Revenue from Operations for the year & higher average inventory has resulted in the variance
Debtors turnover (times) ⁶	23.65	36.32	34.89%	Increase in Revenue from Operations for the year has resulted in higher debtor turnover ratio
Trade Payables turnover (times) ⁷	2.84	1.24	-128.64%	Increase in purchases which is in line with increase in Revenue from Operations has resulted in higher trade payable ratio
Net capital turnover (times) ⁸	-3.49	-3.83	8.94%	Not Applicable
Net profit margin (%) ⁹	-32%	-32%	1.11%	Not Applicable
Return On Average Capital Employed (%) ¹⁰	-145%	-133%	-8.80%	Not Applicable
Return On Investment (%) ¹¹	-110%	-138%	20.39%	Not Applicable

Ratios have been computed as follows:

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

2. Debt equity ratio = Debt / Equity

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

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

3. Debt service coverage ratio = Earnings before interest* and tax / [Finance cost* + Principal repayment of non-current borrowings (netted off to the extent of non-current borrowings availed during the same period for the repayments)]

4. Return on equity ratio = Profit after tax / Average of opening and closing Net Worth

5. Inventory turnover = Revenue from Operations for the period / Average of opening and closing Inventories

6. Debtors turnover = Revenue from Operations for the period / Average of opening and closing Trade Receivables

7. Trade payables turnover = Total Purchases / Average of opening and closing Trade Payables

8. Net capital turnover = Revenue from Operations for the period / Average of opening and closing Working Capital

9. Net profit margin = Profit After Tax / Revenue from Operations

10. Return on Average Capital Employed = Earnings before interest and tax / Average of opening and closing Capital Employed

11. Return on Investment = Earnings before interest and tax / Average of opening and closing Total Assets

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

Pratyaya E-Commerce Private Limited
Notes to the financial statements for the year ended March 31, 2023

NOTE - 37

SEGMENT INFORMATION

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

NOTE - 38

ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(i) DETAILS OF BENAMI PROPERTY HELD

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

(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

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

(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES

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

(iv) BORROWINGS SECURED AGAINST CURRENT ASSETS

The Company has borrowings which are secured against current assets. Please refer note 16 for the same

(v) WILFUL DEFAULTER

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

(vi) COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

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

(vii) UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

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

- 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 to or on behalf of the ultimate beneficiaries.

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

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

(viii) UNDISCLOSED INCOME

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

(ix) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

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

(x) VALUATION OF PROPERTY PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS) AND INTANGIBLE ASSETS

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

(xi) REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

The Company is in the process of registering charges against the current assets and fixed assets provided as security for borrowings.

NOTE - 39

PREVIOUS YEAR FIGURES

Balances of certain assets and liabilities as at the previous year ended March 31, 2022 have been regrouped or reclassified, where necessary, to comply with Division II of Schedule III. Such reclassifications did not have a material impact on the financial statements.

As per our report of even date

For S.R. Garimella & Co.

Chartered Accountants

For and on behalf of the Board of Directors of

Pratyaya E-Commerce Private Limited

Sai Sandeep Garimella D P

Partner

Membership No.: 227200

Manish Singhai

G Bala Satish

(Director)

(DIN: 09657669)

Place: Bengaluru

Date : May 11, 2023

(Director)

(DIN: 07013884)

Place: Visakhapatnam

Date : May 11, 2023

Place: Hyderabad

Date : May 11, 2023