

FSN International Private Limited  
Consolidated Financial Statements as on 31st  
March, 2021

## INDEPENDENT AUDITOR'S REPORT

To the Members of FSN International Private Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of **FSN International Private Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Other Matters

We did not audit the financial statements of two wholly owned foreign subsidiaries viz. FSN Global FZE and Nykaa International UK Limited incorporated on 21<sup>st</sup> June 2020 and 15<sup>th</sup> November 2020 respectively, whose financial statements reflect total assets of Rs.2.78 lakhs as at March 31,2021, total loss of Rs. 3.74 lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been furnished to us by the Management duly certified and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is solely based on such management certificate.



Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including Annexures to Board's report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We did not receive such other information, hence we have nothing to report in this regard.

**Responsibilities of Management for Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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





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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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





- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### **Report on Other Legal and Regulatory Requirements**

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



(f) The Holding Company being a Private Limited Company is eligible for the exemption from reporting on Internal Financial Controls Over Financial Reporting as required under Chapter X, Clause (i) of the sub section (3) of section 143 of the Companies Act as per the notification G.S.R 583(E) issued by MCA dated 13th June 2017. Hence reporting on Internal Financial Controls Over Financial Reporting is not required.

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

- i. The Group does not have any pending litigations which would impact its consolidated financial position.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

**Place: Mumbai**  
**Date: 07-Jun-2021**



**For V.C. Shah & Co.**  
**Chartered Accountants**  
**Firm Registration No. 109818W**

*A. N. Shah*

**A. N. Shah**  
**Partner**  
**Membership No. 42649**  
**UDIN: 21042649AAATJJ9859**



**FSN International Private Limited**  
**Consolidated Balance Sheet as at 31 March 2021**  
*(All amounts in Rs. lakhs, unless otherwise stated)*

		As at 31 March 2021	As at 31 March 2020
	Notes		
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax assets (net)	3	9.56	5.53
<b>Total non-current assets</b>		<b>9.56</b>	<b>5.53</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	4	3.57	-
Cash and cash equivalents	5	9.81	11.11
Other current assets	6	0.34	-
<b>Total current assets</b>		<b>13.72</b>	<b>11.11</b>
<b>Total assets</b>		<b>23.28</b>	<b>16.64</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	7	10.00	10.00
Other equity	8	(25.54)	(13.96)
<b>Total equity</b>		<b>(15.54)</b>	<b>(3.96)</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	9	25.50	20.25
<b>Total non-current liabilities</b>		<b>25.50</b>	<b>20.25</b>
<b>Current liabilities:</b>			
Financial liabilities			
Trade payables	10	-	-
Total outstanding dues of Micro enterprise and small enterprises		-	-
Total outstanding dues of creditors other than Micro enterprises and small enterprises		6.28	-
Other financial liabilities	11	6.97	0.29
Other current liabilities	12	0.07	0.06
<b>Total current liabilities</b>		<b>13.32</b>	<b>0.35</b>
<b>Total liabilities</b>		<b>38.82</b>	<b>20.60</b>
<b>Total equity and liabilities</b>		<b>23.28</b>	<b>16.64</b>

Significant accounting policies 2

Notes 3 to 27 form an integral part of these consolidated financial statements

As per our report of even date

**For V. C. Shah & Co.**  
**Chartered Accountants**  
**Firm Registration No: 109818W**

*A. N. Shah*

**A. N. Shah**  
Partner  
Membership No: 42649



**For and on behalf of Board of Directors of**  
**FSN International Private Limited**

*Sanjay Nayar*  
**Sanjay Nayar**  
Director  
DIN No 00002615

*Hemanshu Mehta*

**Hemanshu Mehta**  
Director  
DIN No 09176157

*Shreekant Sawant*

**Shreekant Sawant**  
Company Secretary  
ACS M.No. ACS30705



**Place: Mumbai**  
**Date: 07 June 2021**

**FSN International Private Limited****Consolidated Statement of Profit and Loss for the year ended 31 March 2021***(All amounts in Rs. lakhs, unless otherwise stated)*

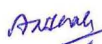
	Notes	Period ended 31 March, 2021	Period ended 31 March, 2020
<b>INCOME</b>			
Revenue from operations	13	1.24	-
<b>TOTAL INCOME</b>		<b>1.24</b>	<b>-</b>
<b>EXPENSES</b>			
Finance costs	14	2.24	0.20
Other expenses	15	15.03	21.77
<b>TOTAL EXPENSES</b>		<b>17.27</b>	<b>21.97</b>
<b>Profit / (Loss) before tax</b>		<b>(16.03)</b>	<b>(21.97)</b>
<b>Tax expense / (benefit) :</b>			
Current tax		-	-
Deferred tax		(4.03)	(5.53)
<b>Profit / (Loss) after tax</b>		<b>(12.00)</b>	<b>(16.44)</b>
<b>Total Comprehensive Income for the period</b>		<b>(12.00)</b>	<b>(16.44)</b>
<b>Earnings per share</b>			
Basic earnings per share (INR)	16	(12.00)	(16.44)
<b>Significant accounting policies</b>	2		
<b>Notes 3 to 27 form an integral part of these consolidated financials statements</b>			

As per our report of even date

For V. C. Shah &amp; Co.

Chartered Accountants

Firm Registration No: 109818W



A. N. Shah

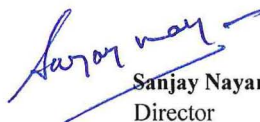
Partner

Membership No: 42649



Place: Mumbai

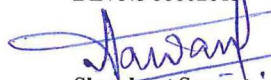
Date: 07 June 2021

For and on behalf of Board of Directors of  
FSN International Private Limited

Sanjay Nayar

Director

DIN No 00002615



Shreekant Sawant

Company Secretary

ACS M.No. ACS30705



Hemanshu Mehta

Director

DIN No 09176157





**FSN International Private Limited****Consolidated Statement of Cash Flows for the year ended 31 March 2021***(All amounts in Rs. lakhs, unless otherwise stated)*

	31 March 2021	31 March 2020
<b>Operating activities</b>		
Net loss before tax as per Statement of profit & loss	(16.03)	(21.97)
Adjustments to reconcile profit before tax to net cash flows:		
Adjustment for:		
Add: Interest expense	2.24	-
<b>Operating profit/(loss) before working capital changes</b>	<b>(13.79)</b>	<b>(21.97)</b>
Adjustments for changes in working capital:		
(Increase) in Trade receivables	(3.57)	-
(Increase) in current assets	(0.34)	-
Increase in Trade payables	6.28	-
Increase in Other current and financial liabilities	6.69	0.36
<b>Cash generated from / (used) in operations</b>	<b>(4.73)</b>	<b>(21.61)</b>
Refund/(payment) of direct taxes (net)	-	-
<b>Net cash flow from / (used in) operating activities</b>	<b>(4.73)</b>	<b>(21.61)</b>
<b>Financing activities</b>		
Proceeds from Share capital	-	12.48
Proceeds from borrowings taken (current)	5.67	20.25
Interest expense on borrowings	(2.24)	-
<b>Net cash flows from / (used in) financing activities</b>	<b>3.43</b>	<b>32.73</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1.30)</b>	<b>11.11</b>
Cash and cash equivalents at the beginning of the year	11.11	-
<b>Cash and cash equivalents at the end of the year</b>	<b>9.81</b>	<b>11.11</b>

**Note:**

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash flow

**Notes 3 to 27 form an integral part of these consolidated financials statements**

As per our report of even date

For V. C. Shah & Co.

Chartered Accountants

Firm Registration No: 109818W

*A. N. Shah*

A. N. Shah

Partner

Membership No: 42649



For and on behalf of Board of Directors of  
FSN International Private Limited

*Sanjay Nayar* *Hemanshu Mehta*

Sanjay Nayar

Hemanshu Mehta

Director

Director

DIN No 00002615

DIN No 09176157

*Shreekant Sawant*

Shreekant Sawant

Company Secretary

ACS M.No. ACS30705

Place: Mumbai

Date: 07 June 2021



**FSN International Private Limited****Consolidated Statement of Changes in Equity for the year ended 31 March 2021***(All amounts in Rs. lakhs, unless otherwise stated)***a. Equity Share Capital:****Equity shares of INR 10 each issued, subscribed and fully paid****At 31 March 2019**

Issue during the year

**At 31 March 2020**

Issue during the year

**At 31 March 2021**

No. of shares	Amount
-	-
1,00,000	10.00
<b>1,00,000</b>	<b>10.00</b>
-	-
<b>1,00,000</b>	<b>10.00</b>

**b. Other Equity:****For the year ended 31 March 2021**

Particulars	Capital contribution from Parent	Reserves & Surplus	Other comprehensive income (OCI)	Total other equity
		Surplus/(Deficit) in statement of profit and loss		
		Amount	Amount	Amount
<b>As at 1 April 2020</b>	2.48	(16.44)	-	(13.96)
Net Profit/(loss) for the period	-	(12.00)	-	(12.00)
<b>Total comprehensive income</b>	2.48	(28.44)	-	(25.96)
Added during the period	0.42	-	-	0.42
<b>As at 31 March 2021</b>	<b>2.90</b>	<b>(28.44)</b>	<b>-</b>	<b>(25.54)</b>

**For the year ended 31 March 2020**

Particulars	Capital contribution from Parent	Reserves & Surplus	Other comprehensive income (OCI)	Total other equity
		Surplus/(Deficit) in statement of profit and loss		
<b>As at 1 April 2019</b>	-	-	-	-
Net Profit/(loss) for the period	-	(16.44)	-	(16.44)
<b>Total comprehensive income</b>	-	(16.44)	-	(16.44)
Added during the period	2.48	-	-	2.48
<b>As at 31 March 2020</b>	<b>2.48</b>	<b>(16.44)</b>	<b>-</b>	<b>(13.96)</b>

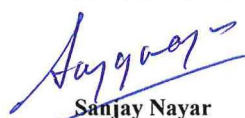
**Significant accounting policies****Notes 3 to 27 form an integral part of these consolidated financials statements**

As per our report of even date

**For V. C. Shah & Co.****Chartered Accountants****Firm Registration No: 109818W****A. N. Shah**

Partner

Membership No: 42649

**For and on behalf of Board of Directors of  
FSN International Private Limited****Sanjay Nayar**

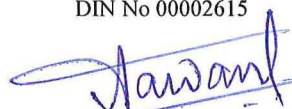
Director

DIN No 00002615

**Hemanshu Mehta**

Director

DIN No 09176157

**Shreekant Sawant**

Company Secretary

ACS M.No. ACS30705

**Place: Mumbai****Date: 07 June 2021**



**FSN International Private Limited**  
**Notes to Consolidated Financial Statements as at and for the year ended 31 March 2021**  
**Amounts in Indian Rupees in lakhs**

## **1. Corporate Information**

The consolidated financial statements comprise financial statements of FSN International Private Limited (the 'Company') and its subsidiaries (collectively, the Group) for the year ended March 31, 2021. The Company is a private limited Company incorporated on December 10, 2019 and domiciled in India. The Company is wholly owned subsidiary of FSN E-Commerce Ventures Private Limited (the 'Holding Company'). The registered office of the Company is located at 104, Vasani Udyog Bhavan, Sun Mill Compound, Tulsi Pipe Road, Lower Parel west, Mumbai 400013

The Group is engaged in the business of selling beauty, wellness, fitness, personal care, health care, skin care, hair care and other related products on/through e-commerce, m-commerce, internet, stores, stalls etc.

The consolidated financial statements for the year ended 31 March 2021 were approved by the Board of Directors and authorised for issue on 7 June 2021.

The Group's consolidated financial statements are presented in Indian Rupees (Rs.), which is the functional currency and all values are rounded to the nearest lakhs ('00,000), except when otherwise stated.

## **2. Significant accounting policies**

### **2A. Basis of preparation**

#### **i) Statement of compliance:**

These financial statements have been prepared in accordance with India Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

#### **ii) Historical cost convention:**

The financial statements have been prepared on a historical cost convention on accrual basis, except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### **2B. Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns



**FSN International Private Limited****Notes to Consolidated Financial Statements as at and for the year ended 31 March 2021****Amounts in Indian Rupees in lakhs**

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

**Consolidation procedure:**

- a) Like items of assets, liabilities, equity, income, expenses and cash flows of the parent are combined with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.





**FSN International Private Limited****Notes to Consolidated Financial Statements as at and for the year ended 31 March 2021****Amounts in Indian Rupees in lakhs**

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

**2C. Summary of significant accounting policies:****a) Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are recognised as incurred and included in administrative & other expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 "Financial Instruments", is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with Ind



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AS 109. Other contingent consideration that is not within the scope of Ind AS 109 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

**b) Current versus non-current classification**

The Group 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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be settled 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 current when:

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

The Group classifies all other liabilities as non-current.

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

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

**c) Inventory**

Inventories are valued at the lower of cost and net realisable value.





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Cost of inventories comprises all the cost of purchases and other cost incurred in bringing the inventories to their present condition and location. Cost is determined on First in first out basis.

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.
- 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 FIFO basis.

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

An inventory provision is recognised for cases where the net realisable value is estimated to be lower than the inventory carrying value. The net realisable value is estimated taking into account various factors, including obsolescence of material due to design change, process change etc., unserviceable items i.e. items which cannot be used due to deterioration in quality or due to shelf life or damaged in storage and ageing of material i.e. slow moving/non-moving prevailing sales prices of inventory.

**d) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**1) Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.





**2) Lease liabilities:**

At the commencement date of the lease, The Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by The Group and payments of penalties for terminating the lease, if the lease term reflects The Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, The Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**3) Short term leases and leases of low value assets:**

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

**e) Financial Instruments**

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

**I. Initial recognition and measurement:**

Financial assets and financial liabilities are recognised when The Group becomes a party to the contractual provisions of the instrument. All Financial assets and liabilities are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

***Financial Assets***

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and The Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which The Group has applied the practical expedient, The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which The Group has applied the practical expedient are measured at the transaction price as disclosed in section (i(I)) Revenue from contracts with customers.



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In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

***Financial Liabilities***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

**II. Subsequent measurement:**

**i. Financial assets:**

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss

***Financial assets at amortised cost***

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Group's financial assets at amortised cost includes trade and other receivables and loans to employees.

***Financial Assets at fair value through other comprehensive Income (FVTOCI)-***

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

***Financial assets at fair value through profit or loss (FVTPL)-***

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

**ii. Financial liabilities:**

***Financial liabilities at fair value through Profit or Loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.





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Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, The Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

***Financial liabilities at amortised cost (loans and borrowings)***

Financial liabilities 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.

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 net carrying amount on initial recognition.

The Group's financial liabilities include trade and other payables and borrowings.

**III. Derecognition:*****Financial Assets***

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from The Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) The Group has transferred substantially all the risks and rewards of the asset, or (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition 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 other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

***Financial Liabilities***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**IV. Impairment of financial assets**



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In accordance with Ind AS 109, The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- c) Other financial assets such as deposits, advances etc.

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables are written off when there is no reasonable expectation of recovery

**V. Offsetting of financial instruments**

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

**f) Revenue recognition**

***I. Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

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

The Group identifies the performance obligations in its contracts with customers and recognizes revenue as and when the performance obligations are satisfied. The specific recognition criteria described below must also be met before revenue is recognised.

***Contact balances***

**- *Contract assets:***

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If The Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**- *Trade receivables:***

A receivable represents The Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section – Financial instruments – initial recognition and subsequent measurement.



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**- Contract liabilities:**

A contract liability is the obligation to transfer goods or services to a customer for which The Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before The Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when The Group performs under the contract

**g) Provisions**

A provision is recognised when The Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**h) Foreign currency transactions**

**I. Functional and presentation currency**

The financial statements are presented in Indian Rupees (Rs.), which is the functional currency of The Group and the currency of the primary economic environment in which The Group operates.

**II. Foreign currency transactions and balances**

**(i) Initial recognition**

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

**(ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**(iii) Exchange differences**

Exchange differences arising on settlement or translation of other monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the statement of profit and loss in the year in which they arise.

**i) Fair value measurement**





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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:

- In the principal market for the asset or liability - or
- 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 Group.

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 economic best interest.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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 recognized in the financial statements on a recurring basis, The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The management assessed that cash and cash equivalents, trade receivables, trade payables, and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

For the purpose of fair value disclosures, The Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**i. Borrowing cost**

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred. Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing to the extent they are regarded as adjustment to the interest cost.

**j. Income taxes**

Tax expense comprises current and deferred tax.





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Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where The Group operates

*Deferred tax:*

Deferred tax is provided using the liability method 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. Deferred tax assets are recognized for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognized 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 losses can be utilized.

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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and deferred tax are measured using the tax rates and tax laws enacted or substantively enacted, at the reporting date. Current income tax and deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in OCI or in equity).

**k. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, and other short term highly liquid investments which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of The Group's cash management.

**l. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of The Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**m. Earnings per share**

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Basic earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**n. Segment reporting policies**

Considering Company's aggressive expansion plan for driving synergy across fulfilment models, sales channels and product categories, it necessitates change in current review mechanism. The management reviews and allocates resources based on Omni business and Omni channel strategy, which in the terms of Ind AS 108 on 'Operating Segments' constitutes a single reporting segment.

**o. Share capital**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity.





## **2D. Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **I. Judgements:**

- **Determining the lease term of contracts with renewal and termination options – The Group as lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

### **II. Estimates and assumptions:**

#### **a. Fair Value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### **b. Estimation of defined benefit obligation and compensated absences**

The cost of the defined benefit gratuity plan, compensated absences and the present value of the gratuity obligation 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. All assumptions are reviewed at each reporting date.





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

**c. Income taxes**

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

**d. Deferred Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. In assessing the probability The Group considers whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Group has recognised deferred tax assets on the unused tax losses and other deductible temporary differences since the management is of the view that it is probable the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

**e. Business combination:**

In accounting for business combinations, judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired (including useful life estimates), liabilities assumed, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

**f. Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**g. Impairment of financial assets:**

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions and independent valuer's report. The Group uses judgement in



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making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**h. Measurement of fair value of non-marketable equity investments:**

These instruments are initially recorded at cost and subsequently measured at fair value. Fair value of investments is determined using the income approaches. The income approach includes the use of discounted cash flow model, which requires significant estimates regarding the investees' revenue, costs, and discount rates based on the risk profile of comparable companies. Estimates of revenue and costs are developed using available historical and forecast data.

**i. Provision for expected credit losses of trade receivables and contract assets:**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on The Group's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

**j. Leases – Estimating the incremental borrowing rates:**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Group's credit rating).

**k. Other estimates:**

The share-based compensation expense is determined based on The Group's estimate of equity instruments that will eventually vest.





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**III. Standard / Amendments issued:**

**a. Amendment to Ind AS 116 – Leases**

The Ministry of Corporate Affairs ('MCA') issued amendments to Ind AS 116, "Leases", provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments allowed the expedient to be applied to COVID-19-related rent concessions to payments originally due on or before June 30, 2021 and also require disclosure of the amount recognized in profit or loss to reflect changes in lease payments that arise from COVID-19-related rent concessions. The reporting period in which a lessee first applies the amendment, it is not required to disclose certain quantitative information required under Ind AS 8. Not applicable for The Group.

- b. On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and The Group will evaluate the same to give effect to them as required by law.



**FSN International Private Limited****Notes to the Consolidated financial statements for the year ended 31 March 2021***(All amounts in Rs. lakhs, unless otherwise stated)***3 Income Taxes****The major components of income tax expense for the period ended 31 March 2020 is:****A Statement of profit and loss:**

	<u>At 31 March 2021</u>	<u>At 31 March 2020</u>
<b>i. Profit or loss section:</b>		
<b>Current income tax:</b>		
Current income tax charge		
Adjustments in respect of current income tax of previous year		
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(4.03)	(5.53)
<b>Income tax expense/(income) reported in the statement of profit or loss</b>	<u>(4.03)</u>	<u>(5.53)</u>

**B Deferred tax:****i. Deferred tax assets and liabilities are attributable to the following:**

<b>Particulars</b>	<u>At 31 March 2021</u>	<u>At 31 March 2020</u>
Impact of brought forward losses	9.56	5.53
<b>Deferred tax assets (A)</b>	<u>9.56</u>	<u>5.53</u>
Impact of difference between tax depreciation and depreciation as per books	-	-
Others	-	-
<b>Deferred tax liabilities (B)</b>	<u>-</u>	<u>-</u>
<b>Deferred tax assets (C=A-B)</b>	<u>9.56</u>	<u>5.53</u>

**ii. Reconciliation of deferred tax assets (net):**

	<u>At 31 March 2021</u>	<u>At 31 March 2020</u>
<b>Opening balance as of 1 April</b>	5.53	-
Tax income/(expense) during the period recognised in profit or loss	4.03	5.53
<b>Closing balance as at 31 March</b>	<u>9.56</u>	<u>5.53</u>

**4 Trade receivables (unsecured)**

	<u>At 31 March 2021</u>	<u>At 31 March 2020</u>
Trade receivables - Considered Good	3.57	-
	<u>3.57</u>	<u>-</u>

**5 Cash and cash equivalents**

	<u>At 31 March 2021</u>	<u>At 31 March 2020</u>
Balances with banks		
- in current accounts	9.81	11.11
	<u>9.81</u>	<u>11.11</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates on deposits.

**6 Other current assets**

	<u>At 31 March 2021</u>	<u>At 31 March 2020</u>
Balance with Government authority	0.34	-
	<u>0.34</u>	<u>-</u>





**FSN International Private Limited****Notes to the Consolidated financial statements for the year ended 31 March 2021***(All amounts in Rs. lakhs, unless otherwise stated)***7 Share Capital****i) Authorised Share Capital****1,00,000 equity shares of Rs 10/- each**

At 31 March 2021	At 31 March 2020
10.00	10.00

**Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. 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 amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**ii) Issued, subscribed and fully paid up equity capital****1,00,000 equity shares of Rs 10/- each**

At 31 March 2021	At 31 March 2020
10.00	10.00

iii) 'There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

**iv) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates:**

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	At 31 March 2021	At 31 March 2020
FSN E-Commerce Ventures Private Limited (Holding Company)		
<b>1,00,000 equity shares of Rs 10/- each</b>	10,00,000	10,00,000

**v) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% holding	No. of shares	% holding
FSN E- Commerce Ventures Private Limited	1,00,000	100.00	1,00,000	100.00

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**8 Other equity****a. Surplus / (Deficit) in statement of profit and loss****Opening balance**

Add: Profit / (Loss) during the year

**Closing balance**

At 31 March 2021	At 31 March 2020
(16.43)	-
(12.00)	(16.43)
<b>(28.43)</b>	<b>(16.43)</b>

**b. Capital contribution from Parent (Equity component)****Opening balance**

Add : Additions during the year

**Closing balance**

2.48	-
0.42	2.48
<b>2.90</b>	<b>2.48</b>

1) Retained Earnings are the profits that the Company has earned till date, less any dividends or other distributions paid to shareholders.



**FSN International Private Limited**  
**Notes to the Consolidated financial statements for the year ended 31 March 2021**  
*(All amounts in Rs. lakhs, unless otherwise stated)*

**9 Borrowings - non-current**

(Carried at amortised cost, except otherwise stated)

Unsecured loans

Loan from Holding Company (FSN E-Commerce Ventures Private Limited)

<u>At 31 March 2021</u>	<u>At 31 March 2020</u>
25.50	20.25
<b>25.50</b>	<b>20.25</b>

**9.1 Terms of loan from holding company**

- The above loan carry an interest rate referenced to the government security rate close to the tenor of the loan and mutually agreed spread.
- Refer note 20 for maturity profile of above loans
- Maximum amount of loan outstanding during the year was INR 25.50 lakhs (31 March 2020 - INR 22.53 lakhs)

**10 Trade payables**

Total outstanding dues of Micro enterprise and small enterprises

Total outstanding dues of creditors other than Micro enterprises and small enterprises

<u>At 31 March 2021</u>	<u>At 31 March 2020</u>
-	-
6.28	-
<b>6.28</b>	<b>-</b>

Note: For details of trade payable with related party refer note 16 related party disclosures

**11 Other financial liabilities**

(Measured at amortised cost, except otherwise stated)

Provision for expenses

<u>At 31 March 2021</u>	<u>At 31 March 2020</u>
6.97	0.29
<b>6.97</b>	<b>0.29</b>

**12 Other current liabilities**

Statutory dues payable

<u>At 31 March 2021</u>	<u>At 31 March 2020</u>
0.06	0.05
<b>0.06</b>	<b>0.05</b>





(All amounts in Rs. lakhs, unless otherwise stated)

Refer accounting policy 2(f) for satisfaction of performance obligation and when the revenue is recognised

Interest expense on:  
- borrowings

Legal and professional fees	7.63	7.17
Freight	1.50	-
Rates and taxes	1.46	13.41
Foreign exchange loss	-	0.78
Bank charges	-	0.07
Auditors Remuneration :		
Audit fees	4.08	0.25
Taxation Matters	0.10	0.08
Miscellaneous expenses	0.25	-



**FSN International Private Limited**

Notes to the Consolidated financial statements for the year ended 31 March 2021

(All amounts in Rs. lakhs, unless otherwise stated)

**16 Related party transactions****A. Names of the related parties**

Names of related parties where control exists irrespective of whether transactions have occurred or not

Name of entity	Nature of relationship
FSN E-Commerce Ventures Private Limited	Holding company

FSN Brands Marketing Private Limited	Fellow subsidiary
Nykaa-KK Beauty Private Limited	Fellow subsidiary
Nykaa Fashion Private Limited	Fellow subsidiary
Nykaa E Retail Private Limited	Fellow subsidiary
FSN Global FZE	Subsidiary
Nykaa International UK Limited	Subsidiary

**Key Management Personnel (KMP)**

Mr Sachin Parikh	Director (Resigned w.e.f. from 15th May, 2021)
Mr Rishi Seth	Director
Mr Sanjay Nayar	Director (Joined w.e.f. from 17th May, 2021)
Mr Hemanshu Mehta	Director (Joined w.e.f. from 17th May, 2021)
Mr Shreekant Sawant	Company Secretary (Joined w.e.f. from 17th May, 2021)

**B. Transactions with Related party**

Particulars	Nature of transactions	Transactions during the year ended March 31, 2021	Outstanding balances as on March 31, 2021	Transactions during the year ended March 31, 2020	Outstanding balances as on March 31, 2020
<b>Holding company</b>					
FSN E-Commerce Ventures Private Limited	Interest Expenses	1.47	-	0.20	-
	Notional interest expense	0.77			
	Other Equity Contribution	0.42	(2.90)	2.48	(2.48)
	Loan taken (net)	27.63	25.50	22.53	(20.25)
<b>Nykaa E Retail Private Limited</b>	Listing fees	0.11	-	-	-

Figures in brackets indicates payables and income

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables

\* The Company do not have any other transaction with key managerial person than that is disclosed above.

**17 Earnings per share (EPS)****Basic and EPS**

(Loss) after tax as per statement of profit and loss (in lakhs) (A)

Basic weighted average number of equity shares outstanding (B)

Basic and earning per share in Rupees (C=A/B)

For the period ended 31 March 2021	For the period ended 31 March 2020
(12.00)	(16.43)
1,00,000	1,00,000
(12.00)	(16.43)





## FSN International Private Limited

### Notes to the Consolidated financial statements for the year ended 31 March 2021

(All amounts in Rs. lakhs, unless otherwise stated)

#### 18 Fair value measurement hierarchy

The fair values of financial assets and liabilities are included at the amount at which the instrument can be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- a. Carrying values of financial assets i.e. cash and cash equivalents, trade receivables, others financial assets and of financial liabilities i.e. trade and other payables, working capital loan and other borrowings and others are reasonable approximations of their fair values due to the short maturities of these instruments.
- b. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:
  - Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
  - Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
  - Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

However, the Group does not have material financial assets and financial liabilities carried at fair value through profit and loss ('FVTPL') and fair value through other comprehensive income.

#### n Disclosures fair value measurement hierarchy for assets/liabilities as at 31 March 2021 and 31 March 2020:

	Carrying value / Fair value	
	As at 31 March 2021	As at 31 March 2020
<b>Assets carried at amortised cost</b>		
Trade receivables	3.57	-
Cash and bank balances	9.81	11.11
<b>Liabilities at amortised cost</b>		
Borrowings	25.50	20.25
Trade payables	6.28	-
Other financial liabilities	6.97	0.29



**FSN International Private Limited****Notes to the Consolidated financial statements for the year ended 31 March 2021***(All amounts in Rs. lakhs, unless otherwise stated)***19 Capital management**

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

The net gearing ratio at end of the reporting period was as follows.

		As at 31 March 2021	As at 31 March 2020
Gross debt		25.50	20.25
Less: Cash and cash equivalents		9.81	11.11
Net debt	(A)	15.69	9.14
Total Equity	(B)	(15.53)	(3.95)
Net gearing ratio	(A)/(B)	(1.01)	(2.31)

**20 Financial risk management objectives and policies**

The Group's principal financial liabilities comprises loan from holding company, working capital loan, trade and other payables. The main purpose of these financial liabilities is to finance The Group's operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

**A Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk, product price risk and interest rate risk

**A.1 Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to The Group's operating activities denominated in foreign currency and thus the risk of changes in foreign exchange rates relates primarily to trade receivables and trade payables. Since The Group's overall foreign currency exposure is not significant, The Group does not hedge its foreign currency receivables.

**Foreign currency sensitivity**

Since the business of The Group doesn't involve material foreign currency transactions, its exposure to foreign currency changes is not material.

**A.2 Product price risk**

In a potentially inflationary economy, The Group expects periodical price increases across its product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/ sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to customers to sustain volumes. The Group negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the customers. This helps The Group to protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.

**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. The Group is exposed to credit risk from its operating activities (primarily trade receivables)

**Trade receivables**

The Group's retail business is predominantly on 'cash on delivery', the credit risk on such collections is minimal. The Group has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by The Group by credit worthiness checks.

The Group's experience of delinquencies and customer disputes have been minimal. Further, Trade and other receivables consist of a large number of customers, across geographies, hence, The Group is not exposed to concentration risks.

**C Liquidity risk**

The Group monitors its risk of shortage of funds. Approximately 0 % of The Group's debt will mature in less than one year as at 31 March 2021 based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to financing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of The Group's financial liabilities based on contractual undiscounted payments.

Particulars	As at 31 March 2021			As at 31 March 2020		
	< 1 year	1 to 5 years	Total	< 1 year	1 to 5 years	Total
Trade payables	6.28	-	6.28	-	-	-
Other financial liabilities	6.97	-	6.97	0.29	-	0.29
Loan from holding company	-	25.50	25.50	-	20.25	20.25
	13.25	25.50	38.75	0.29	20.25	20.54





Statement Of Net Assets And Profit Or Loss Attributable To Owners And Non-controlling Interest

Name of the entity	Country of Incorporation	% of voting power as at 31 March 2021	% of voting power as at 31 March 2020	Net Assets i.e., total assets - total liabilities (As % of consolidated Net Assets)		Share in Profit & loss (As % of consolidated Profit & Loss)		Share in Total Comprehensive Income (As % of consolidated Total Comprehensive Income)	
FSN International Private Limited	India			75.92%	-11.79	68.83%	-8.26	68.83%	-8.26
<b><u>Subsidiaries (held directly)</u></b>									
FSN Global FZE	Dubai	100%	100%	24.08%	-3.74	31.17%	-3.74	31.17%	-3.74
Nykaa International UK Limited	UK	100%	100%	0.00%	-	0.00%	-	0.00%	-
				100%	-15.53	100%	-12.00	100%	-12.00



**FSN International Private Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2021**

*(All amounts in Rs. lakhs, unless otherwise stated)*

**22 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

The identification of Micro, Small and Medium Enterprises is based on the Management's knowledge of their status. Disclosure of trade payables under the current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under 'The Micro, Small and Medium Enterprises Development Act, 2006'.

**23 Segment information**

Considering Company's aggressive expansion plan for driving synergy across fulfilment models, sales channels and product categories, it necessitates change in current review mechanism. The management reviews and allocates resources based on Omni business and Omni channel strategy, which in the terms of Ind AS 108 on 'Operating Segments' constitutes a single reporting segment.

- i) The Company operates in a single geographical environment i.e. in India.
- ii) No single customer contributed 10% or more to Company's revenue.

**24 The previous period, being the first period of Operations for the company. The Financial statement are prepared from the date of Incorporation i.e. 10th December, 2019 to 31st March, 2020.**

**25 Impact of Covid 19**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions

**26 Event after reporting dates**

There have been no event after reporting dates that require disclosure in this financial statements

**27 Previous years figures have been regrouped and reclassified wherever required.**

As per our report attached

**For V. C. Shah & Co.**

**Chartered Accountants**

**Firm Registration No: 109818W**

*A. N. Shah*

**A. N. Shah**

Partner

Membership No: 42649



**Place: Mumbai**

**Date: June 7, 2021**

**For and on behalf of Board of Directors of  
FSN International Private Limited**

*Sanjay Nayar*

**Sanjay Nayar**

Director

DIN No 00002615

*Shreekanth Sawant*

**Shreekanth Sawant**

Company Secretary

ACS M.No. ACS30705

*Hemanshu Mehta*

**Hemanshu Mehta**

Director

DIN No 09176157

