

INDEPENDENT AUDITOR'S REPORT

To the Members of Dot and Key Private Limited.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Dot and Key Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity, for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations provided to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the 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 Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 financial statements.

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

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

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

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

If, based on the work we have performed, 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 the Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including the Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.



- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The 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) The Company is a Private Limited Company as per the Act. The requirement of payment of managerial remuneration as per section 197 read with Schedule V of the Act is not applicable.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations provided to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on the above explanations, it can be seen that the same are reasonable and appropriate in



the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has neither declared nor paid any dividend during the year. So compliance with respect to section 123 of the Act is not applicable.

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

A. N. Shah

A. N. Shah
Partner

Membership No.: 042649

UDIN: 23042649BGWPLT5321

Place: Mumbai

Date: May 23, 2023



"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Report on Other Legal and Regulatory Requirements of our Report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its Property, Plant and Equipment by which all the assets are verified in a phased manner over a period of three years. In our opinion, periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified during the year. According to the information and explanations provided to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations provided to us, there is no immovable properties (other than the properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company. Hence, reporting under clause (i)(c) of paragraph 3 of the Order is not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year. Hence, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.
- (e) As represented by the Management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Hence, reporting under clause (i)(e) of paragraph 3 of the Order is not applicable,
- (ii) (a) According to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. Discrepancies were less than 10% in aggregate for each class of inventory and have been properly dealt with in the books of accounts.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate during the year, from banks or financial institutions on the basis of security of current assets. Hence, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii) According to the information and explanations provided to us, the Company has made investment in a Company which is not prejudicial to the Company's interest. During the year the Company has not provided any guarantee or security or granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties



covered in the register maintained under Section 189 of the Act. Hence, reporting clause (iii) (a), (c), (d), (e) and (f) of paragraph 3 of the Order is not applicable.

- (iv) In our opinion and according to the information and explanations provided to us, the Company has not given any loan to directors. Hence, the requirements under section 185 of the Act are not applicable. The Company has made investments in a Company and it has complied with the requirements of section 186.
- (v) According to the information given to us and based on the audit procedures performed by us, the Company has neither accepted any deposits nor accepted any amounts which are considered 'deemed to be deposits, as per the directives issued by Reserve Bank of India and the provisions of the section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. Hence, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) We are informed that the Central Government has not prescribed maintenance of cost records under sub-section (l) of Section 148 of the Companies Act, 2013 in respect of the activities carried on by the Company. Hence, clause (vi) of paragraph 3 of the Order is not applicable.
- (vii) According to the information and explanations provided to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess, Goods & Services Tax and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess, Goods & Services Tax and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations provided to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited by the Company on account of disputes.
- (viii) According to the information and explanations provided to us, there were no transactions which were previously not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961. Hence, clause (viii) of paragraph 3 of the Order is not applicable.
- (ix) The Company has not borrowed any funds, Hence, clause (ix)(a) to (f) of paragraph 3 of the Order is not applicable.
- (x) (a) The Company has not raised any money by way of initial public offer / further public offer /debt instruments. Hence, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.



- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.
- (xi) (a) To the best of our knowledge and according to the information and explanations provided to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Hence, reporting under clause 3(xi)(a) of the Order is not applicable.
- (b) No report under sub-section (12) of section 143 of the companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) Establishment of vigil mechanism is not mandated for the Company as required under section 177 of the Act. As represented to us by the management, there are no whistle blower complaints received by the Company during the year under the vigil mechanism established by the parent company for the Group.
- (xii) The Company is not a Nidhi Company. Hence, reporting under clause (xii)(a), (b) and (c) of paragraph 3 of the Order is not applicable.
- (xiii) Transactions with the related parties are in compliance with section 188 of the Act, where applicable, and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause (xiii) of paragraph 3 of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations provided to us, Internal Audit is not applicable to the Company as per Section 138 of the Companies Act, 2013. Hence, clause (xiv) (a) and (b) of paragraph 3 of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations provided to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors. Hence provisions of Section 192 of the Act are not applicable. Hence, reporting under clause (xv) of paragraph 3 of the Order is not applicable.
- (xvi) (a) In our opinion and according to the information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, clause (xvi) (a), (b) and (c) of paragraph 3 of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Hence, reporting under clause (xvi)(d) of paragraph 3 of the Order is not applicable.



- (xvii) In our opinion, according to the information and explanation given to us, the Company has incurred cash losses aggregating to Rs. 25.7 Mn during the current financial year and Rs. 73.8 Mn during the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Hence, reporting under clause (xviii) of paragraph 3 of the order is not applicable.
- (xix) On the basis of the financial ratios disclosed in note 48, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) Based on the verification of the details provided, the criteria specified under section 135 of the Act is not fulfilled and hence the requirement of spending on Corporate Social Responsibility is not applicable to the Company. Accordingly, reporting under clause (xx)(a) and (b) of paragraph 3 of the Order is not applicable.

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



A. N. Shah
Partner
Membership No.: 042649
UDIN: 23042649BGWPLT5321
Place: Mumbai
Date: May 23, 2023



Dot & Key Wellness Private Limited
Notes to Financial Statements as at and for the year ended 31 March 2023

1. Corporate Information

Dot & Key Wellness Private Limited (the 'Company') is a private limited company incorporated and domiciled in India. The registered office of the Company is located at 2/7 Sarat Bose Road, Vasundhara Building, 3rd Floor, Kolkata-700020.

The Company is engaged in the business of selling & distribution of beauty, wellness, personal care, skin care, hair care products on the online platforms or websites such as e-commerce, internet, intranet as well as through general trade and modern trade etc.

2. Significant accounting policies

2A. Basis of preparation

i) Statement of compliance:

These financial statements have been prepared in accordance with Indian 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. Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be 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 Company classifies all other liabilities as non-current.



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

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

b) Property Plant & Equipment

Property, Plant & Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, Plant & Equipment is included in asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss for the period during which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Cost incurred on Property, plant and equipment not ready for their intended use is disclosed as Capital Work-in-Progress. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of Property, Plant & Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on Property, Plant & Equipment:

Depreciation is provided using the Straight Line Method based on useful lives of the assets prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are amortized on a straight line basis over the period of primary lease or the expected useful life whichever is lower.

Estimated useful lives of the assets are as follows:

Property Plant & Equipment	Useful lives (in years)
Plant and Equipment	15
Computers	3
Furniture & Fixtures	10
Office Equipments	5
Vehicles	10



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The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting period and adjusted prospectively for any change in estimate, if appropriate. Changes in expected useful lives are treated as change in accounting estimates.

c) Intangible assets

Intangible Assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed as either finite or indefinite.

Following, initial recognition, intangible assets with finite lives are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Amortization of intangible assets:

Intangible assets are amortized on straight line basis as per the following useful lives:

Intangible asset	Useful lives (in years)
Patents	30
Software	3

d) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date. If there is any indication of impairment based on internal / external factors, an impairment loss is recognised, i.e. wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



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Notes to Financial Statements as at and for the year ended 31 March 2023

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared for the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

e) Inventory

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

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- 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.
- Stock in Trade: 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.

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.



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Notes to Financial Statements as at and for the year ended 31 March 2023

f) Leases

The Company 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.

Company as a lessee:

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

i. Right-of-use assets (ROU asset)

The Company 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, as follows:

- Right of use for Properties 3 years

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. Refer to the accounting policies in section (d) Impairment of non-financial assets.

ii. Lease liabilities:

At the commencement date of the lease, the Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company 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



Dot & Key Wellness Private Limited
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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.

iii. Short term leases and leases of low value assets:

The Company 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.

g) 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 Company 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 Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company 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 Company has applied the practical expedient are measured at the transaction price as disclosed in section ((1)i) Revenue from contracts with customers.

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 and payables, net of directly attributable transaction costs.



Dot & Key Wellness Private Limited
Notes to Financial Statements as at and for the year ended 31 March 2023

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 (FVTOCI)
- 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 derecognized, modified, or impaired.

The Company's financial assets at amortised cost includes trade and other receivables, 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.

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 company 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



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Notes to Financial Statements as at and for the year ended 31 March 2023

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.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

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 Company's statement of financial position) when:

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

Or

- The Company has transferred its rights to receive cash flows from the asset 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company 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:

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



Dot & Key Wellness Private Limited

Notes to Financial Statements as at and for the year ended 31 March 2023

- 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
- b) Investments
- c) Other financial assets such as deposits, advances etc.

The Company 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.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables

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.

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

i. Sale of products:

Revenue is recognised upon transfer of control of promised products to customer in an amount that reflects the consideration which the company expects to receive in exchange for products. Revenue from the sale of products is recognised when products are delivered to customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.



Dot & Key Wellness Private Limited
Notes to Financial Statements as at and for the year ended 31 March 2023

ii. Contract balances:

- Contract assets

A contract asset is the right to consideration in exchange for products or services transferred to the customer. If the Company performs by transferring products 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 Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

- Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers 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 Company performs under the contract

ii. Interest income:

Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. Interest income is included under the head "Other income" in the statement of profit and loss.

i) Provisions

A provision is recognised when the Company 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.

j) Foreign currency transactions

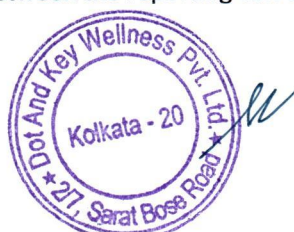
Functional and presentation currency

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

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.



Dot & Key Wellness Private Limited

Notes to Financial Statements as at and for the year ended 31 March 2023

(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.

k) *Post-employment and other employee benefits*

Short term employee benefits

All short term employee benefits such as salaries, incentives, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the statement of profit and loss.

Post-employment benefits

i. Defined Contribution Plans

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contribution to the funds is due. There are no other obligations other than the contribution payable to the fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

ii. Defined Benefit Plans

Gratuity

The company have an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The gratuity benefits are unfunded.

Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:



Dot & Key Wellness Private Limited

Notes to Financial Statements as at and for the year ended 31 March 2023

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through 'Other comprehensive income' in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after the reporting date, regardless of when the actual settlement.

l) 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.

m) Fair value measurement

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 Company.

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

The Company 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:



Dot & Key Wellness Private Limited

Notes to Financial Statements as at and for the year ended 31 March 2023

- 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 Company 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, advances, trade payables, bank overdraft and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management selects appropriate valuation techniques using discounted cash flow model when the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets. 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. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company 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.

n) Income taxes

Tax expense comprises current and deferred tax.

Current income tax

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.

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.



Dot & Key Wellness Private Limited

Notes to Financial Statements as at and for the year ended 31 March 2023

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). The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

o) 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 Company's cash management.

p) 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 Company 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.

q) Earnings per share

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.



Dot & Key Wellness Private Limited
Notes to Financial Statements as at and for the year ended 31 March 2023

r) 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.

s) 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.

3. 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 estimates 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 Company 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. Estimation of useful life of property, plant and equipment and intangible asset

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The



Dot & Key Wellness Private Limited

Notes to Financial Statements as at and for the year ended 31 March 2023

useful lives and residual values of assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial period/year end. The lives are based on historical experience with similar assets.

b. 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.

c. 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.

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.

d. 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.

e. 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 Company 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 Company 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.



Dot & Key Wellness Private Limited

Notes to Financial Statements as at and for the year ended 31 March 2023

f. Provision

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

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

The Company uses a simplified approach to determine impairment loss allowance on the portfolio of trade receivables. This is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. 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 Company's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

i. Leases – Estimating the incremental borrowing rates:

The Company 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 Company 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 Company '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 Company 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 Company's credit rating).



Dot & Key Wellness Private Limited
Standalone Balance Sheet as at 31 March 2023
(All amounts are in INR millions except per share data and unless stated otherwise)

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	15.85	9.00
Right of use assets	5	4.38	9.08
Other Intangible assets	6	0.43	0.14
Intangible assets under development	7	0.01	0.06
Financial assets			
Investments	8	0.00	-
Other financial assets	9	1.27	301.15
Deferred tax assets (net)	10	27.51	18.73
Total Non-Current Assets		49.46	338.17
Current Assets			
Inventories	11	83.71	48.67
Financial assets			
Trade receivables	12	67.10	24.88
Cash and cash equivalents	13	17.35	0.11
Bank balance other than cash and cash equivalents	14	290.00	74.45
Other financial assets	15	8.05	7.90
Other current assets	16	10.44	26.83
Total Current Assets		476.64	182.83
Total Assets		526.09	521.00
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	13.57	13.57
Other equity	18	415.03	444.28
Total Equity		428.60	457.85
Liabilities			
Non-Current Liabilities:			
Financial liabilities			
Lease Liabilities	19	-	4.62
Provisions	20	1.12	0.48
Total Non-Current Liabilities		1.12	5.11
Current Liabilities:			
Financial liabilities			
Lease Liabilities	21	4.72	4.72
Trade payables	22		
-Total outstanding dues of Micro enterprise and small enterprise		-	-
-Total outstanding dues of creditors other than Micro enterprises and small enterprises		39.17	12.26
Other financial liabilities	23	20.21	25.80
Provisions	24	0.22	-
Contract Liabilities	25	3.17	1.29
Other current liabilities	26	28.88	13.96
Total Current Liabilities		96.37	58.02
Total Liabilities		97.50	63.13
Total Equity and Liabilities		526.09	520.98

The accompanying notes are an integral part of the financial statements 1-3

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: 042649



For and on behalf of Board of Directors of
Dot & Key Wellness Pvt. Ltd.

Suyash Saraf
Director

Suyash Saraf
Director
DIN No.:03574264

Ganesh Padmanabhan
Director

Ganesh Padmanabhan
Director
DIN No.:07202923

Place: Mumbai
Date: 23rd May, 2023

Place: Kolkata
Date: 23rd May, 2023

Place: Mumbai
Date: 23rd May, 2023

Dot & Key Wellness Private Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2023
(All amounts are in INR millions except per share data and unless stated otherwise)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
Revenue from Operations	27	577.33	275.31
Other Income	28	20.53	12.61
TOTAL INCOME		597.86	287.92
EXPENSES			
Purchase of Stock-in-Trade	29	218.43	104.76
Changes in Inventories of Stock-in -Trade	30	(35.04)	(10.60)
Employee benefits expense	31	53.29	31.06
Finance costs	32	0.85	3.07
Depreciation and amortization expense	33	6.35	5.66
Other expenses	34	392.10	227.84
Total expenses		635.98	361.79
Profit / (Loss) before exceptional items and tax		(38.12)	(73.87)
Add/(Less): Exceptional items			
Profit / (Loss) before tax		(38.12)	(73.87)
Tax expense / (benefit) :			
Current tax		-	-
Deferred tax	10	(8.80)	(18.63)
Total tax expense /(benefit)		(8.80)	(18.63)
Profit/loss for the period		(29.31)	(55.24)
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability/ (asset)		0.09	(0.09)
Fair valuation of investments measured through OCI		-	-
Income tax effect on above		(0.02)	0.02
Items that will not be reclassified to profit or loss, net of tax		0.07	(0.07)
Total Comprehensive Income for the year		(29.25)	(55.31)
Earnings per share of face value Rs. 10/- each			
Basic earnings per share (in Rs.)	35	(21.56)	(44.55)
Diluted earning per share (in Rs.)		(21.56)	(44.55)

The accompanying notes are an integral part of the financial statements

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: 042649



Place: Mumbai
Date: 23rd May,2023

For and on behalf of Board of Directors of
Dot & Key Wellness Private Limited

Dot And Key Wellness Pvt. Ltd.

Suyash Saraf
Suyash Saraf
Director

Director
DIN No.:03574264

Place: Kolkata
Date: 23rd May,2023

ganesh
Ganesh Padmanabhan
Director
DIN No.:07202923

Place: Mumbai
Date: 23rd May,2023

Dot & Key Wellness Private Limited
Standalone Statement of Cash Flows for the year ended 31 March 2023
(All amounts are in INR millions except per share data and unless stated otherwise)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Operating activities		
Profit / (loss) including comprehensive income before exceptional items and tax	(38.03)	(73.96)
<i>Adjustments to reconcile profit / (loss) before tax to net cash flows:</i>		
Depreciation of property, plant & equipment	6.32	5.63
Amortisation of intangible assets	0.03	0.03
Interest expense	0.85	3.07
Realised (Gain) / Loss from sale of investments	-	(0.28)
Interest income	(18.96)	(9.24)
Provision for doubtful debts	0.14	0.06
Sundry balance written back	(0.43)	(1.51)
Operating profit before working capital changes	(50.08)	(76.19)
<i>Working capital Adjustments:</i>		
(Increase)/ decrease in trade receivables	(42.36)	13.38
(Increase)/decrease in inventories	(35.04)	(10.59)
(Increase)/decrease in non-current financial assets	299.93	(299.87)
(Increase)/decrease in other financial assets	(0.15)	(7.90)
(Increase)/decrease in other current assets	34.79	(3.54)
Increase/(decrease) in trade payables	26.91	(11.78)
Increase/(decrease) in current financial liabilities	(5.16)	9.20
Increase/(decrease) in short term provisions	0.22	(2.98)
Increase/(decrease) in contract liabilities	1.88	0.92
Increase/(decrease) in other current liabilities	14.93	3.28
Increase/(decrease) in long term provisions	0.64	0.19
Cash generated from / (used) in operations	296.58	(309.70)
Net cash flow from / (used in) operating activities (A)	246.51	(385.89)
Investing activities		
Purchase of Property, Plant and Equipment	(8.78)	(5.50)
Investment in Fixed deposits	(215.55)	(74.45)
Proceeds from sale of Investments	(0.00)	21.37
Interest income (Finance Income)	0.56	1.02
Net cash flows from / (used in) investing activities (B)	(223.77)	(57.55)
Financing activities		
Proceeds from exercise of share options	-	3.57
Proceeds from Share premium	-	482.90
Repayment of loans	-	(41.24)
Repayment of Lease liabilities	(4.62)	(4.17)
Interest expense	(0.85)	(3.07)
Net cash flows from / (used in) financing activities (C)	(5.48)	437.99
Net increase / (decrease) in cash and cash equivalents (A+B+C)	17.26	(5.46)
Cash and cash equivalents at the beginning of the year	0.11	5.56
Net foreign exchange differences	-	-
Cash and cash equivalents at the year end (refer note 13)	17.37	0.10

Note:


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

2 Component of cash and cash equivalents

Cash and cash equivalents (refer note 13)	17.35	0.11
Add: Bank overdraft/cash credit	-	-
Total cash and cash equivalents	17.35	0.11


The accompanying notes are an integral part of the financial statements


As per our report attached
For V. C. Shah & Co.
Chartered Accountants
Firm Registration No: 109818W


A. N. Shah
Partner
Membership No: 042649



For and on behalf of Board of Directors of
Dot & Key Wellness Private Limited


Suyash Saraf
Director
DIN No.:03574264


Ganesh Padmanabhan
Director
DIN No.:07202923

Place: Mumbai
Date: 23rd May,2023

Place: Kolkata
Date: 23rd May,2023

Place: Mumbai
Date: 23rd May,2023

Dot & Key Wellness Private Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2023
(All amounts are in INR millions except per share data and unless stated otherwise)

a. Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid

	No. of shares	Amount
At 1 April 2021	10,00,000.00	10.00
Share Issued during the Year	3,57,143.00	3.57
At 31 March 2022	13,57,143.00	13.57
Share Issued during the Year	-	-
At 31 March 2023	13,57,143.00	13.57

b. Other Equity:

For the year ended 31 March 2023

Particulars	Share application money pending allotment	Reserves & Surplus			Total other equity
		Surplus/(Deficit) in statement of profit and loss	Capital reserve	Securities premium	
As 1 April 2021	-	16.69	-	-	16.69
Net Profit / (Loss) for the year	-	(55.24)	-	-	(55.24)
Other comprehensive income	-	-	-	(0.07)	(0.07)
Total comprehensive income	-	(38.55)	-	-	(38.62)
Securities premium on issue of shares	-	-	482.90	-	482.90
Transfer to retained earnings	-	-	-	-	-
As at 31 March 2022	-	(38.55)	482.90	(0.07)	444.28
Net Profit / (Loss) for the year	-	(29.31)	-	-	(29.31)
Other comprehensive income	-	-	-	0.07	0.07
Total comprehensive income	-	(67.87)	482.90	(0.00)	415.03
Securities premium on issue of shares	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
As at 31 March 2023	-	(67.87)	482.90	(0.00)	415.03

The accompanying notes are an integral part of the financial statements

As per our report attached

For V. C. Shah & Co.

Chartered Accountants

Firm Registration No: 109818W



A. N. Shah
Partner

Membership No: 042649

For and on behalf of Board of Directors of

Dot & Key Wellness Private Limited
 Dot And Key Wellness Pvt. Ltd.

Suyash Saraf
 Director

Suyash Saraf
Director
DIN No.:03574264

Ganesh Padmanabhan
 Director

DIN No.:07202923

Place: Mumbai

Date: 23rd May, 2023

Place: Kolkata

Date: 23rd May, 2023

Place: Mumbai

Date: 23rd May, 2023

4 Property, plant and equipment

	Computers	Furniture & Fixtures	Office equipments	Vehicles	Plant and machinery	Total
Cost or deemed cost (gross carrying amount)						
At 1 April 2021	0.79	0.97	0.44	0.10	2.42	4.72
Additions	1.02	0.11	0.12	-	4.25	5.50
Disposals/transfers	-	-	-	-	-	-
At 31 March 2022	1.82	1.07	0.57	0.10	6.66	10.22
Additions	0.39	4.65	0.06	-	3.36	8.47
Disposals/transfers	-	-	-	-	-	-
At 31 March 2023	2.21	5.72	0.64	0.10	10.02	18.68
Accumulated depreciation and impairment losses						
At 1 April 2021	0.12	0.05	0.03	0.01	0.08	0.29
Depreciation charge for the year	0.40	0.10	0.10	0.01	0.32	0.93
Disposals	-	-	-	-	-	-
At 31 March 2022	0.52	0.15	0.13	0.02	0.41	1.21
Depreciation charge for the year	0.61	0.39	0.12	0.01	0.49	1.62
Disposals	-	-	-	-	-	-
At 31 March 2023	1.13	0.53	0.25	0.03	0.90	2.83
Net Book Value						
At 31 March 2023	1.08	5.19	0.39	0.08	9.12	15.85
At 31 March 2022	1.30	0.93	0.44	0.09	6.25	9.00

5 Right of Use Assets

	Right of Use Assets	Total
Cost or deemed cost (gross carrying amount)		
At 1 April 2021	4.10	4.10
Additions	10.02	10.02
Disposals/transfers	-	-
At 31 March 2022	14.12	14.12
Additions	-	-
Disposals/transfers	-	-
At 31 March 2023	14.12	14.12
Accumulated depreciation and impairment losses		
At 1 April 2021	0.34	0.34
Depreciation charge for the year	4.70	4.70
Disposals	-	-
At 31 March 2022	5.04	5.04
Depreciation charge for the year	4.70	4.70
Disposals	-	-
At 31 March 2023	9.74	9.74
Net Book Value		
At 31 March 2023	4.38	4.38
At 31 March 2022	9.08	9.08

6 Intangible assets

	Patent	Total
Gross block		
At 1 April 2021	0.10	0.10
Additions	0.08	0.08
Disposals/transfers	-	-
At 31 March 2022	0.18	0.18
Additions	0.32	0.32
Disposals/transfers	-	-
At 31 March 2023	0.50	0.50
Accumulated amortisation and impairment losses		
At 1 April 2021	0.01	0.01
Depreciation charge for the year	0.03	0.03
Disposals	-	-
At 31 March 2022	0.04	0.04
Depreciation charge for the year	0.03	0.03
Disposals	-	-
At 31 March 2023	0.07	0.07
Net Book Value		
At 31 March 2023	0.43	0.43
At 31 March 2022	0.14	0.14

7 Intangible assets under development

Particulars	Patent				Total
	< 1 year	1-2 yrs	2-3 yrs	> 3 yrs	
1) Projects in progress	-	0.01	-	-	0.01
2) Progress temporarily Suspended	-	-	-	-	-
Gross block					
At 1 April 2021	0.12	-	-	-	0.12
Additions	-	-	-	-	-
Disposals/transfers	0.07	-	-	-	0.07
At 31 March 2022	0.06	-	-	-	0.06
Additions	-	-	-	-	-
Disposals/transfers	0.05	-	-	-	0.05
At 31 March 2023	0.01	-	-	-	0.01
Accumulated amortisation and impairment losses					
At 1 April 2021	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2022	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2023	-	-	-	-	-
Net Book Value					
At 31 March 2023	0.01	-	-	-	0.01
At 31 March 2022	0.06	-	-	-	0.06



Dot & Key Wellness Private Limited
Notes to the Standalone financial statements for the year ended 31 March 2023
(All amounts are in INR millions except per share data and unless stated otherwise)

8 Non-current Investment (Unquoted)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Units	-	Units	-
Investment in Equity Instruments (Unquoted, fully paid up)				
Nykaa Foundation (In Equity Shares of Rs. 10 each)				
1 fully paid equity shares of Rs. 10 each		0.00		-
Total investments		0.00		-

***Numbers are below million under the rounding off convention adopted by the Company and accordingly not reported**

8.1 Investment at fair value through OCI (fully paid) reflect investment in unquoted securities. These securities are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the group.



9 Other Non Current Financial Assets

	As at 31 March 2023	As at 31 March 2022
Security Deposits	1.27	1.15
Deposits with Financial Institution with maturity period more than 12 months	-	300.00
	1.27	301.15

10 Income Taxes

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

A Statement of profit and loss:

	For the year ended 31 March 2023	For the year ended 31 March 2022
i. Profit or loss section:		
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(8.80)	(18.63)
Income tax expense/(income) reported in the statement of profit or loss	(8.80)	(18.63)
ii. OCI section - Deferred tax related to items recognised in OCI during the year:		
Tax Expenses/(Income) on remeasurements of defined benefit plans	0.02	(0.02)
Income tax expense charged / (credited) to OCI	0.02	(0.02)

B Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	(38.12)	(73.87)
Applicable tax rate	25.168%	25.168%
Tax using the Company's domestic tax rate	-	-
Tax effect of:		
Expenses allowed /disallowed on payment basis	-	-
Adjustment of unused tax losses	-	-
Others	-	-
Current tax provision	-	-
Deferred tax reversal / (provision)	(8.80)	(18.63)
Tax expense recognized in the statement of profit and loss	(8.80)	(18.63)
Effective tax rate	23.09%	25.21%

C Deferred tax:

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

Particulars	As at 31 March 2023	As at 31 March 2022
Impact of brought forward losses and Unabsorbed depreciation	9.22	18.70
Impact of difference between tax depreciation and depreciation as per books	(0.41)	(0.08)
Deferred tax assets (A)	9.80	18.63
Deferred tax liabilities (B)	-	-
Deferred tax assets (net) (C=A-B)	9.80	18.63

ii. Reconciliation of deferred tax assets (net):

	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance as of 1 April	(18.73)	(0.08)
Tax income/(expense) during the period recognised in profit or loss	(8.80)	(18.63)
Tax income/(expense) during the period recognised in OCI	0.02	(0.02)
Closing balance as at 31 March	(27.51)	(18.73)

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax and re-measured its Deferred tax assets/liabilities basis the rate prescribed in the said section. The impact of this change has been recognised during the current financial year.

11 Inventories

	As at 31 March 2023	As at 31 March 2022
(Valued at lower of cost and net realisable value)		
Stock in trade	76.15	45.29
Goods in Transit	7.56	3.37
Total	83.71	48.67



Dot & Key Wellness Private Limited
Notes to the Standalone financial statements for the year ended 31 March 2023
(All amounts are in INR millions except per share data and unless stated otherwise)

Dot & Key Wellness Private Limited
Notes to the Standalone financial statements for the year ended 31 March 2023
(All amounts are in INR millions except per share data and unless stated otherwise)

12 Trade receivables

Trade receivables - Considered Good - Secured
Trade receivable which have significant increase in credit risk
Less: Allowances for expected credit loss

	As at 31 March 2023	As at 31 March 2022
	67.10	24.88
	0.98	0.84
	(0.98)	(0.84)
	67.10	24.88

(For details of trade receivable with related party refer note 38 related party disclosures)

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

Trade receivables are non-interest bearing.

Trade receivables Ageing Schedule:

31-Mar-23

Undisputed Trade Receivable- Considered Good
Undisputed Trade Receivable- which have significant increase in credit risk

	Less Than 6 Month	6M -1 Yrs	2-3 Yrs	> 3 Yrs	Total
	66.61	0.45	0.03	-	67.10
	0.08	0.34	0.57	-	0.98
	66.69	0.79	0.60	-	68.08

31-Mar-22

Undisputed Trade Receivable- Considered Good
Undisputed Trade Receivable- Which Have Significant Increase In Credit Risk

	Less Than 6 Month	6M -1 Yrs	2-3 Yrs	> 3 Yrs	Total
	24.72	0.16	-	-	24.88
	0.19	-	0.65	-	0.84
	24.91	0.16	0.65	-	25.72

13 Cash and cash equivalents

Bank balance in current account
Cash in hand
Deposits with original maturity of less than three months

	As at 31 March 2023	As at 31 March 2022
	16.85	0.10
	0.02	0.01
	0.48	-
	17.35	0.11

14 Bank balance other than cash and cash equivalents

Deposits with original maturity for more than 3 months but less than 12 months
-With Banks

	As at 31 March 2023	As at 31 March 2022
	290.00	74.45
	290.00	74.45

15 Other financial assets

Interest accrued on deposit but not due

	As at 31 March 2023	As at 31 March 2022
	8.05	7.90
	8.05	7.90

16 Other current assets

Advance to suppliers (unsecured, considered good)
Advance against expenses (unsecured, considered good)
Prepaid expenses
Balance with statutory / government authorities

	As at 31 March 2023	As at 31 March 2022
	-	2.41
	4.46	1.01
	0.74	0.78
	5.24	22.63
	10.44	26.83



17 Share Capital

i) Authorised Equity Share Capital (Equity shares of Rs. 10 each)

At 1 April 2021

Increase / (decrease) during the year

At 31 March 2022

Increase / (decrease) during the year

At 31 March 2023

No. of shares	Amount
12,50,000	12.50
3,00,000	3.00
15,50,000	15.50
-	-
15,50,000	15.50

ii) Authorised Preference Share Capital (Preference shares of Rs. 10 each)

At 1 April 2021

Increase / (decrease) during the year

At 31 March 2022

Increase / (decrease) during the year

At 31 March 2023

No. of shares	Amount
-	-
5,00,000	5.00
5,00,000	5.00
-	-
5,00,000	5.00

Note

i) 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.

Each equity shareholder is entitled to dividends as and when the Company declares and pays dividend after obtaining shareholders' approval.

During the year ended March 31, 2023, the amount of per share dividend recognised as distribution to equity share-holders was Nil (March 31, 2023 : Nil , March 31, 2022 : Nil)

ii) Issued share capital

a) Issued equity capital

Equity shares of INR 10 each issued, subscribed and fully paid

At 1 April 2021

Changes during the year

At 31 March 2022

Changes during the year

At 31 March 2023

Equity shares	
No. of shares	Amount
10,00,000	10.00
3,57,143	3.57
13,57,143	13.57
-	-
13,57,143	13.57

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

As at 31 March 2023

Particulars	Promoter Name	No. of shares	% of total shares	% of change during the year
Equity Shares of Rs. 10 each	FSN E-Commerce Ventures Limited	6,92,143	51%	0%
Equity Shares of Rs. 10 each	Anisha Saraf	1,95,067	14%	0%
Equity Shares of Rs. 10 each	Ashok Saraf	1,66,328	12%	0%
Equity Shares of Rs. 10 each	Rekha Saraf	1,02,333	8%	0%
Equity Shares of Rs. 10 each	Suyash Saraf	2,01,272	15%	0%
		13,57,143		

As at 31 March 2022

Particulars	Promoter Name	No. of shares	% of total shares	% of change during the year
Equity Shares of Rs. 10 each	FSN E-Commerce Ventures Limited	6,92,143	51%	69%
Equity Shares of Rs. 10 each	Anisha Saraf	1,95,067	14%	-10%
Equity Shares of Rs. 10 each	Ashok Saraf	1,66,328	12%	-3%
Equity Shares of Rs. 10 each	Rekha Saraf	1,02,333	8%	-10%
Equity Shares of Rs. 10 each	Suyash Saraf	2,01,272	15%	-10%
		13,57,143		

**shares are held through Family Trusts, which were held individually in preceding financial year.

Equity shares of Rs 10 each fully paid

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.

iv) Promotor Share Holding

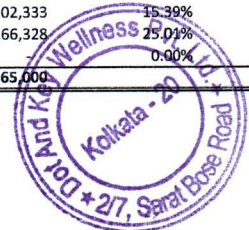
As at 31st March, 2023

Sr no	Description	Promoter name	No. of shares at the beginning of the year	% of Total Shares	No. of shares at the end of the year	% of total shares	% of change during the year
1	Equity Shares of Rs. 10 each	Suyash Saraf	2,01,272	30.27%	2,01,272	30.27%	0.00%
2	Equity Shares of Rs. 10 each	Anisha Saraf	1,95,067	29.33%	1,95,067	29.33%	0.00%
3	Equity Shares of Rs. 10 each	Rekha Saraf	1,02,333	15.39%	1,02,333	15.39%	0.00%
4	Equity Shares of Rs. 10 each	Ashok Saraf	1,66,328	25.01%	1,66,328	25.01%	0.00%
			6,65,000		6,65,000		

As at 31st March, 2022

Sr no	Description	Promoter name	No. of shares at the beginning of the year	% of Total Shares	No. of shares at the end of the year	% of total shares	% of change during the year
1	Equity Shares of Rs. 10 each	Suyash Saraf	3,01,666	30.17%	2,01,272	30.27%	-33.28%
2	Equity Shares of Rs. 10 each	Anisha Saraf	2,92,365	29.24%	1,95,067	29.33%	-33.28%
3	Equity Shares of Rs. 10 each	Rekha Saraf	2,04,333	20.43%	1,02,333	15.39%	-49.92%
4	Equity Shares of Rs. 10 each	Ashok Saraf	1,98,336	19.83%	1,66,328	25.01%	-16.14%
5	Equity Shares of Rs. 10 each	Suhei Saraf HUF	3,300	0.33%	-	0.00%	-100.00%
			10,00,000		6,65,000		

v) Neither bonus shares issued nor shares issued for consideration other than cash during the period of Two years immediately preceding the reporting date



Dot & Key Wellness Private Limited

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

(All amounts are in INR millions except per share data and unless stated otherwise)

18 Other equity

	As at 31 March 2023	As at 31 March 2022
a Securities premium		
Opening balance	482.90	-
Add : Additions during the year	-	482.90
Closing balance	482.90	482.90
b Retained earnings		
Opening balance	(38.55)	16.69
Add: Profit / (Loss) during the year	(29.31)	(55.24)
Less: Transfer during the year		
Closing balance	(67.87)	(38.55)
c Other comprehensive income		
Opening balance	(0.07)	-
Add : Additions during the year	0.07	(0.07)
Less: Transfer during the year	-	-
Closing balance	(0.00)	(0.07)

Nature and purpose of reserves

Securities premium

Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares is transferred to "Securities Premium".

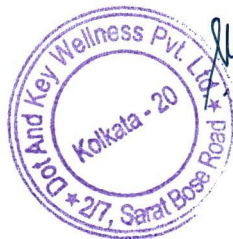
The securities premium can be utilised only in accordance with the provisions of the Companies Act 2013.

Retained earnings:

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

Other Comprehensive Income:

This Represents The Cumulative Gains And Losses Arising On Remeasurement of Defined Employee Benefit Plan



Dot & Key Wellness Private Limited
Notes to the Standalone financial statements for the year ended 31 March 2023
(All amounts are in INR millions except per share data and unless stated otherwise)

19 Non Current Lease Liabilities

	As at 31 March 2023	As at 31 March 2022
Payable for operating lease liabilities*	-	4.62
	-	4.62

*The effective interest rate for lease liabilities is 9.50% as on March 31, 2023 (9.50% as on March 31, 2022)

20 Non current - Provisions

	As at 31 March 2023	As at 31 March 2022
Provisions for Employee Benefits		
Provision for Gratuity - refer note 37	1.04	0.43
Provision for Compensated Leave	0.08	0.06
	1.12	0.48

21 Current Lease Liabilities

	As at 31 March 2023	As at 31 March 2022
Payable for lease liabilities*	4.72	4.72
	4.72	4.72

*The effective interest rate for lease liabilities is 9.50% as on 31 March 2023 (9.50% as on 31 March 2022)

22 Trade payables

	As at 31 March 2023	As at 31 March 2022
(Carried at amortized cost)		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of trade payables other than micro enterprises and small enterprises	39.17	12.26
	39.17	12.26

(For details of trade Payable with related party refer note 38 related party disclosures)

No trade or other Payable are due from directors or other officers of the company either severally or jointly with any other person.

Trade Payables are non-interest bearing.

Trade Payable Ageing Schedule:

March 31, 2023

MSME

Undisputed Trade Payable- Considered Good

Undisputed Trade Payable- Which Have Significant Increase In Credit Risk

Others

Undisputed Trade Payable- Considered Good

Undisputed Trade Payable- Which Have Significant Increase In Credit Risk

	Less than 1 year	1-2 Yrs	> 3 Yrs	Total
Undisputed Trade Payable- Considered Good				
Undisputed Trade Payable- Which Have Significant Increase In Credit Risk				
Others				
Undisputed Trade Payable- Considered Good	39.17			39.17
Undisputed Trade Payable- Which Have Significant Increase In Credit Risk				
	39.17	-	-	39.17

March 31, 2022

MSME

Undisputed Trade Payable- Considered Good

Undisputed Trade Payable- Which Have Significant Increase In Credit Risk

Others

Undisputed Trade Payable- Considered Good

Undisputed Trade Payable- Which Have Significant Increase In Credit Risk

	Less than 1 year	1-2 Yrs	> 3 Yrs	Total
Undisputed Trade Payable- Considered Good				
Undisputed Trade Payable- Which Have Significant Increase In Credit Risk				
Others				
Undisputed Trade Payable- Considered Good	12.26			12.26
Undisputed Trade Payable- Which Have Significant Increase In Credit Risk				
	12.26	-	-	12.26

23 Other financial liabilities-Current

	As at 31 March 2023	As at 31 March 2022
A. Other financial liabilities-Current		
Employee related liabilities	3.61	3.54
Creditors for Expenses	16.60	22.26
Total other financial liabilities	20.21	25.80

(For details of Advance from customers and Employee related liabilities with related parties refer note 38 on related party disclosures)

24 Current Provisions

	As at 31 March 2023	As at 31 March 2022
Provision for Gratuity - refer note 37	0.18	-
Provision for Compensated Leave	0.04	-
Total	0.22	-

25 Contract Liabilities

	As at 31 March 2023	As at 31 March 2022
Advance from Customers	1.52	0.01
Deferred revenue (Provision for Reward points)	1.65	1.28
Total	3.17	1.29

26 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory dues	3.03	1.29
Provisions for Expenses	25.56	12.67
Others	0.29	-
Total	28.88	13.96



Dot & Key Wellness Private Limited

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

(All amounts are in INR millions except per share data and unless stated otherwise)

27 Revenue from Contracts with Customers

	<u>For the year ended 31 March 2023</u>	<u>For the year ended 31 March 2022</u>
Sale of products		
Sales	666.53	308.87
Less : Product Promotion Expenses	(89.20)	(33.56)
	<u>577.33</u>	<u>275.31</u>

A Disaggregation of revenue from contracts with customers

The Company derives its major revenue from sale of products, which is a single line of business.

B Contract Balances

Particulars	<u>As at 31 March 2023</u>	<u>As at 31 March 2022</u>
Trade Receivables	67.10	24.88

C Performance Obligation:

The Company enters into contract with majority of its customers to sale products for a consideration on a cost plus mark-up basis and which constitute a single performance obligation that the company satisfies over time.

D Transaction price:

Sale of products

Contract price is determined as per the terms agreed with the customer, and no further adjustments are made to the same. As such, there are no reconciling items and hence the reconciliation of the contract price is not disclosed.

E Costs to obtain the contract:

The Company does not incur material costs to obtain contracts with customers and contract fulfilment costs are generally expensed as incurred.



Dot & Key Wellness Private Limited

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

(All amounts are in INR millions except per share data and unless stated otherwise)

28 Other Income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest Income on:		
Security Deposit	0.10	0.09
Fixed Deposit	18.87	9.15
	<u>18.96</u>	<u>9.24</u>
Shipping & COD Charges	1.14	1.29
Other Income	0.00	0.57
Net Sundry balance written back	0.43	1.51
	<u>20.53</u>	<u>12.61</u>

29 Purchase of Stock-in-Trade

	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchase of Stock-in-Trade	218.43	104.76
	<u>218.43</u>	<u>104.76</u>

30 Changes in inventories

Traded Goods

	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	48.67	38.07
Closing balance	83.71	48.67
	<u>(35.04)</u>	<u>(10.60)</u>
	<u>(35.04)</u>	<u>(10.60)</u>

31 Employee benefits expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, Wages and Bonus	49.77	30.13
Contribution to provident fund	1.35	0.55
Contribution to welfare fund	0.00	-
Gratuity expenses (refer note 37)	0.88	0.12
Compensated Leave (refer note 37)	0.06	(0.02)
Staff welfare expenses	1.21	0.27
	<u>53.29</u>	<u>31.06</u>

32 Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expenses on borrowings	-	2.01
Interest cost on lease liabilities	0.69	1.03
Interest on statutory dues	0.16	0.03
	<u>0.85</u>	<u>3.07</u>

33 Depreciation and amortization expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 4)	1.62	0.93
Depreciation of Right-of-use assets (refer note 5)	4.70	4.70
Amortisation of Intangible assets (refer note 6)	0.03	0.03
	<u>6.35</u>	<u>5.66</u>



Dot & Key Wellness Private Limited

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

(All amounts are in INR millions except per share data and unless stated otherwise)

Dot & Key Wellness Private Limited

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

(All amounts are in INR millions except per share data and unless stated otherwise)

34 Other expenses

	<u>For the year ended 31 March 2023</u>	<u>For the year ended 31 March 2022</u>
Administrative & Other Expenses	4.62	0.96
Selling Expenses	98.57	18.53
Rates & Taxes	0.33	0.94
Rent	7.66	4.46
Consumption of Packing Materials	7.95	3.22
Payment Gateway Charges	0.99	0.43
Marketing & Advertisement Expenses	253.42	181.61
Web & Technology Expenses	3.85	4.88
Repairs & Maintenance - Others	2.01	2.59
Electricity Charges	0.84	0.79
Travelling & Conveyance Expenses	1.46	0.88
Communication Expenses	0.06	0.17
Foreign Exchange Gain/Loss	0.02	0.01
Insurance Expenses	0.22	0.07
Legal and Professional Fees	3.82	6.76
Recruitment Charges	5.26	0.21
Bank charges	0.15	0.29
Auditors Remuneration :		-
Audit fees	0.56	0.30
Taxation Matters	0.18	0.18
Others	-	0.50
ECL Provision	0.14	0.06
	<u>392.10</u>	<u>227.84</u>



Dot & Key Wellness Private Limited

Notes to the Standalone financial statements for the year ended 31 March 2023
(All amounts are in INR millions except per share data and unless stated otherwise)

35 Earnings per share (EPS)

	<u>For the year ended 31 March 2023</u>	<u>For the year ended 31 March 2022</u>
Basic and diluted EPS		
Profit/ (Loss) after tax as per statement of profit and loss (A)	(29.31)	(55.24)
Calculation of weighted average number of equity shares of Rs 10 each:		
Total number of shares outstanding during the year	13,57,143.00	1.36
Weighted average number of equity shares outstanding during the year (B)	1.36	1.24
Add: Dilution impact of employee stock options and Optionally Convertible Redeemable Preference Shares	-	-
Number of Equity Shares used as denominator for calculating Diluted Earnings Per Share (C)	1.36	1.24
Basic earning per share (D= A/B)	(21.56)	(44.55)
Diluted earning per share (E = A/C)	(21.56)	(44.55)



Dot & Key Wellness Private Limited**Notes to the Standalone financial statements for the year ended 31 March 2023***(All amounts are in INR millions except per share data and unless stated otherwise)***36 Leases****The Company as lessee**

The Company has lease contracts for premises obtained for stores, offices, warehouse etc. Leases of premises generally have lease terms between 2 to 5 years

The Company's obligations under its leases are secured by the lessor's title to the leased assets.

There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Refer note 5 for carrying value of right of use assets.

Set out below are the carrying value of lease liabilities and the movement during the period:

	As at 31 March 2023	As at 31 March 2022
As at 1 April	10.31	4.46
Add Addition	-	10.02
Add Accretion of interest	0.69	1.03
Less Payments	5.31	5.20
Closing balance as on March 31	<u>5.69</u>	<u>10.31</u>
Current	5.69	5.69
Non-current	-	4.62
	<u>5.69</u>	<u>10.31</u>

The following amount are recognised in profit and loss

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation expenses of right of use assets	4.70	4.70
Interest expenses on lease liabilities	0.69	1.03
	<u>5.39</u>	<u>5.73</u>

The Company had total cash outflow for leases of INR 53.14 Lacs (March 22 : INR 51.96 Lacs)



Dot & Key Wellness Private Limited
Notes to the Standalone financial statements for the year ended 31 March 2023
(All amounts are in INR millions except per share data and unless stated otherwise)

37 Gratuity and post-employment benefit plan:

I) Defined Contribution Plan

During the year, the Company has made contribution/provision to provident fund stated under defined contribution plan amounting to INR (previous year INR) and the same has been recognized as an expense in the statement of profit and loss.

II) Defined Benefit Plans

The Company operates a defined benefit gratuity plan for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service.

The Company has provided for gratuity based on actuarial valuation done as per projected unit credit method.

A. The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at 31 March 2023, 31 March 2022

i. Amount to be recognised in balance sheet

Particulars	As At 31 March 2023	As At 31 March 2022
Present value of defined benefit obligation	1.22	0.43
Less: Fair value of plan assets	-	-
Funded status – deficit / (surplus)	-	-
Net liability recognised in balance sheet	<u>1.22</u>	<u>0.43</u>

ii. Changes in the present value of defined benefit obligation

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening defined benefit obligation		
Defined Benefit Obligation	0.66	0.22
Current service cost	0.84	0.20
Interest cost	0.04	0.01
Remeasurement gain/loss	(0.32)	0.23
Closing defined benefit obligations	<u><u>1.22</u></u>	<u><u>0.66</u></u>

B The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Mortality Table	IALM (2012-14)	IALM (2012-14)
Discount rate:	7.20%	5.95%
Future salary increases*	8.00% until year 1 then 6.50%	8.00% until year 1 then 6.50%
Withdrawal rates	27.77%-37.10% across all levels	20.64%-30.54% across all levels
IALM - Indian Assured Lives Mortality (Ultimate)	IALM (2012-14)	IALM (2012-14)

The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated terms of the

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

The cost of the defined benefit gratuity plan 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. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

C The following payments are expected contributions to the defined benefit plan in future years:

	As At 31 March 2023	As At 31 March 2022
Within the next 12 months (next annual reporting period)	0.18	0.00
Between 2 and 5 years	0.84	0.35
Between 6 and 9 years	0.51	0.36
10 years and following years	0.24	0.31
Total expected payments	<u><u>1.76</u></u>	<u><u>1.03</u></u>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4.57 years (31 March 2022: 7 years).



38 Related party transactions

A. Names of the related parties

-Directors & Key Management Personnel

a) Mr Ashok Saraf	Director
b) Mr Suyash Saraf	Director
b) Mr Sujeet Jain	Director
b) Mr Sudhakar Mhaskar	Director
b) Mr Ganesh Padmanabhan	Director

-Holding & Subsidiary

a) FSN E-Commerce Ventures Limited	Holding Company
b) Nykaa E-Retail Private Limited	Fellow Subsidiary
c) FSN Brand Private Limited	Fellow Subsidiary
d) FSN Distribution Private Limited	Fellow Subsidiary
b) FSN International Private Limited	Fellow Subsidiary

-Relative of Directors & Key Management Personnel (KMP)

a) Rekha Saraf	Spouse of Ashok Saraf
b) Anisha Saraf	Spouse of Suyash Saraf

-Company in which key management personnel have significant influence
Not Applicable

B. Transactions with Related party

Particulars	Nature of transactions	Transactions during the year ended 31 March 2023	Outstanding balances as on 31 March 2023	Transactions during the year ended 31 March 2022	Outstanding balances as on 31 March 2022
-Directors and Key Management Personnel					
Mr Ashok Saraf	(i) Shares Transferred	-	-	0.32	-
Mr Suyash Saraf	(i) Shares Transferred	-	-	1.00	-
	(ii) Remuneration	2.54	-	1.29	-
-Holding & Subsidiary					
FSN Brands Marketing Private Limited	(i) Sales	0.06	-	0.66	0.33
	(ii) Product Promotion Expense	0.03	-	0.01	-
FSN Distribution Private Limited	(i) Sales	23.48	2.15	-	-
	(ii) Product Promotion Expense	1.49	-	-	-
	(iii) Outsourced Manpower Cost	3.36	-	-	-
	(iv) Advertisement	0.50	-	-	-
FSN International Private Limited	(i) Sales	0.14	0.14	-	-
FSN E-Commerce Ventures Limited	(i) Share application received	-	-	3.57	-
Nykaa E-Retail Private Limited	(i) Sales	297.15	25.27	166.81	5.25
	(ii) Product Promotion Expense	84.76	-	24.22	-
	(iii) Advertisement Expense	51.89	-	43.42	-
	(iii) Sundry Balance Written Off	-	-	0.12	-
-Relative of Directors and Key Management Personnel					
Mrs Anisha Saraf	(i) Shares Transferred	-	-	0.97	-
	(ii) Remuneration	2.54	-	1.29	-
Mrs Rekha Saraf	(i) Sales	-	-	0.01	-
	(ii) Shares Transferred	-	-	1.02	-
-Company in which key management personnel have significant influence					
		-	-	-	-

Figures in brackets indicates receivables

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.

Amount paid to KMP do not include the provisions made for gratuity as it is determined on an actuarial basis for the Company as a whole. Similarly, expenses for leave encashment are not included in the above table as the same is also determined on an actuarial basis for the Company as a whole.



Dot & Key Wellness Private Limited**Notes to the Standalone financial statements for the year ended 31 March 2023***(All amounts are in INR millions except per share data and unless stated otherwise)***39 Commitments and contingent liabilities****A Commitments**

The Company does not have any contract remaining to be executed on capital account and not provided for (net of advances) - INR Nil lakh as at 31 March 2023 (31 March 2022 - Nil)

The Company does not have lease contracts that have not yet commenced as at 31 March 2023.

40 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 borrowing and other financial liabilities are reasonable approximations of their fair values due to the short maturities of these instruments.

Particulars	Level	Carrying value as of		Fair value as of March 31,	
		March 31, 2023	March 31, 2022	2023	March 31, 2022
Financial Assets:					
Fair Value through other comprehensive income					
Non-current investme Level 2					
Amortised cost					
Current investments		0	-	-	-
Loans		-	-	-	-
Trade receivables		67	25	67	25
Cash and cash equivalents		17	0	17	0
Other financial assets		8	8	8	8
Bank balance other than cash and cash		290	74	290	74
Financial Liabilities:					
Amortised cost					
Borrowings		-	-	-	-
Lease liabilities		5	5	5	5
Other financial liabilities		20	26	20	26
Trade payables		39	12	39	12

- b. The Company 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.

Fair value measurement hierarchy of the Company's financial assets and liabilities measured at FVTPL. There are no financial assets and liabilities measured at FVTOCI. During the period ending March 31, 2023 and March 2022 there were no transfers between Level 1 and Level 2 fair value measurement

41 Segment information:

The Company is engaged in the business of selling, distributing of beauty, wellness, fitness, personal health care, skin care, hair care product. All the activities of the Company revolve around this main business. The Chief Operating decision maker (CODM) monitors the operating results of the business as a whole for the purpose of making decision about resource allocation and performance assessment.

Therefore management views Company's business activity as a single segment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The Company operates in a single geographical environment i.e. in India.



Dot & Key Wellness Private Limited
Notes to the Standalone financial statements for the year ended 31 March 2023
(All amounts are in INR millions except per share data and unless stated otherwise)

42 Capital management

The Company 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. The capital structure of the Company 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 Company consider the amount of capital in proportion to risk and manage 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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company'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 Company 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 31 March 2023 and 31 March 2022.

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

		As at 31 March 2023	As at 31 March 2022
Gross debt		28.88	13.96
Less: Cash and cash equivalents		(17.35)	(0.11)
Net debt	(A)	11.53	13.84
Total Equity	Z	428.60	457.85
Net gearing ratio	(A)/(B)	0.03	0.03

43 Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. 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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities denominated in foreign currency and thus the risk of changes in foreign exchange rates relates primarily to trade payables. Since the Company's overall foreign currency exposure is not significant, the Company does not hedge its foreign currency payables.

Foreign currency sensitivity

Since the business of the Company doesn't involves material foreign currency transactions, its exposure to foreign currency changes is not material.

A.2 Product price risk

In a potentially inflationary economy, the Company 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 Company negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the customers. This helps the Company 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.

A.3 Interest rate risk

The Company is not to exposed to interest rate risk.

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 Company is exposed to credit risk from its operating activities (primarily trade receivables)

Trade receivables

The Company's retail business is predominantly on 'cash on delivery', the credit risk on such collections is minimal. The Company 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 Company by credit worthiness checks.

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

Security Deposits

The Company also carries credit risk on lease deposits with landlords for properties taken on leases, for which agreements are signed and property possessions are taken for operations. The risk relating to refunds after vacating the premises is managed through successful negotiations or appropriate legal actions, where necessary.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

C Liquidity risk

Liquidity risk is a risk that the Company may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks. Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

Particulars	Carrying value	Less than 1 year	1 to 5 years	> 5 years	Total
As at March 31, 2023					
Borrowings	-	-	-	-	-
Trade payables	39.17	39.17	-	-	39.17
Other financial liabilities	20.21	20.21	-	-	20.21
Lease liabilities	4.72	4.72	-	-	4.72
Total	64.10	64.10	-	-	64.10
As at March 31, 2022					
Borrowings	-	-	-	-	-
Trade payables	12.26	12.26	-	-	12.26
Other financial liabilities	25.80	25.80	-	-	25.80
Lease liabilities	9.34	4.72	4.62	-	9.34
Total	47.40	42.77	4.62	-	47.40



Dot & Key Wellness Private Limited

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

(All amounts are in INR millions except per share data and unless stated otherwise)

44 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'.

45 Event after reporting dates

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

46 Ratio Analysis and its elements

Sr No	Ratio	Numerator	Denominator	Mar-23	Mar-22	% Change	Reasoning
1	Current Ratio	Current Asset	Current Liabilities	4.95	3.15	56.95%	Due to regrouping in Fixed deposit from non current to current by 215.55 millions & increase in Inventory by 35.03 millions
2	Return on equity	Net Profits after taxes	Average Shareholder's Equity	(0.07)	(0.23)	-70.99%	Due to decrease in loss for the period by 25.93 millions
3	Inventories t/o ratio	Cost of goods sold	Average Inventory	2.77	2.17	27.61%	Due to increase in cost of goods sold by 89.23 millions
4	Trade Receivable T/O	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	12.55	8.71	44.07%	Due to increase in revenue in current year
5	Trade payables T/O	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payable	8.50	5.77	-56.81%	Due to increase in purchase in current year
6	Net Capital T/O ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	1.52	2.21	-31.18%	Due to increase in revenue & decrease in working capital
7	Net Profit ratio	Net Profit	Net sales = Total sales - sales return	(0.07)	(0.27)	-75.39%	Due to decrease in loss by 25.93 millions & increase in Sales by 302.02 Millions
8	Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	(0.09)	(0.15)	-43.30%	Due to decrease in EBIT by 33.53 millions
9	Return on Investment	Interest income on fixed deposit	Average investment in fixed deposit	0.06	0.02	132.22%	Due to increase in Fixed Deposit interest rate
10	Debt- Equity	Total Debt	Share holder's Equity	-	-	-	
11	Debt Service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal	-	-	-	

47 Additional Regulatory Information

(i) Title deeds of immovable properties not held in name of the company

The Company does not have immovable property in the name of the company.

(ii) Revaluation of Investment Property

The Company does not have property in the name of the company.

(iii) Revaluation of Property, Plant and Equipment

There have been no revaluation of Plant, Property and Equipment during the current year.

(iv) Revaluation of Intangible Assets

There have been no revaluation of Intangible Assets during the current year.

(v) Loans or Advances

The Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.

(vi) Capital Work-in-Progress (CWIP) ageing schedule / completion schedule

The Company does not have any capital work in progress.

(vii) Intangible assets under development ageing schedule / completion schedule

The Company have any intangible asset under development amounting to Rs. 9,000/-.

(viii) Details of Benami Property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ix) Security of current assets against borrowings

The Company does not have borrowings.

(x) Wilful Defaulter

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

(xi) Relationship with Struck off Companies

The Company has not entered into any transaction with Struck off Companies.

(xii) Registration of charges or satisfaction with Registrar of Companies (ROC)

No satisfaction of charges are pending to be filed with ROC.



Dot & Key Wellness Private Limited

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

(All amounts are in INR millions except per share data and unless stated otherwise)

(xiii) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(xv) Compliance with approved Scheme(s) of Arrangements

The Company has not entered into any scheme of arrangement which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

(xvi) Disclosure in relation to undisclosed income

There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(xvii) Details of Crypto currency or Virtual currency

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

48 Previous year figures have been regrouped and reclassified wherever required to conform to those of the

As per our report attached

For V. C. Shah & Co.

Chartered Accountants

Firm Registration No: 109818W



A. N. Shah

Partner

Membership No: 042649

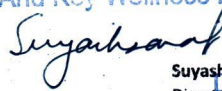


Place: Mumbai

Date: 23rd May, 2023

For and on behalf of Board of Directors of
Dot & Key Wellness Private Limited

Dot And Key Wellness Pvt. Ltd.



Suyash Saraf

Director

DIN No.:03574264

Dot And Key Wellness Pvt. Ltd.



Ganesh Padmanabhan

Director

DIN No.:07202923

Director

Place: Kolkata

Date: 23rd May, 2023

Place: Mumbai

Date: 23rd May, 2023