

Fashnear Technologies Private Limited

CIN: U74900KA2015PTC082263

Registered office: 06-105-B, 06-102, (138 WU) VAISHNAVI SIGNATURE,
NO. 78/9, OUTER RING ROAD, BELLANDUR,
VARTHUR HOBLI, BENGALURU 560103



DIRECTORS' REPORT

To
The Members,
FASHNER TECHNOLOGIES PRIVATE LIMITED

The Board of Directors ("**Board**") hereby submits the report of the business and operations of Fashnear Technologies Private Limited ("**the Company**") together with the audited financial statements for the financial year ended March 31, 2023, in accordance with provisions of section 134(3) of the Companies Act, 2013 ("**the Act**").

Financial Highlights

The summarized financial performance of the Company for the financial year ended March 31, 2023, and March 31, 2022, are given below:

₹ in millions, (except per equity share data)		
Particulars	FY 2023	FY 2022
Revenue from operations	57,345.19	32,323.03
Other income	1,547.61	1,271.02
Total Income	58,892.80	33,594.05
Total Expenses	75,642.93	66,072.46
(Loss) before tax	(16,750.13)	(32,478.41)
Other comprehensive (loss) / income	(10.42)	(29.74)
Total comprehensive (loss) for the year	(16,760.55)	(32,508.15)

During the year under review, revenue from Operations witnessed a growth of 77% and total expenditure has increased by 14% as compared to the previous year.

Transfer to reserves

The Board does not propose to carry any amount to reserves due to the accumulated losses incurred by the Company.

Dividend

The Director has not recommended any dividend for the year under review.

Statement of Company's affairs and future outlook

The Company has taken necessary and further steps to strengthen its competitive advantages, explore more opportunities, and enhance its presence in emerging markets within India and thus securing future growth momentum by aggressively working towards setting up customer base and catering to them. The Board assures on improving the performance of the Company and achieving desired results in the coming years.

Change in the nature of business

There is no change in nature of business of the Company for the year under review.

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Particulars of Loans, Guarantees or Investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 ("the Act"), forms part of Note No. 8 respectively to the financial statements of the Company.

Public Deposits

During the year under review, the Company has neither accepted nor renewed any deposits in terms of Chapter V of the Act and Rules framed thereunder.

Changes in Share Capital Structure

During the financial year ended March 31, 2023:

- i. the Company has not altered the authorized share capital of the Company and the authorised Share Capital of the Company as at 31st March, 2023 is INR 10,00,00,000 (Indian Rupees Ten Crore) divided into 10,00,00,000 Equity Shares of INR 1 (Indian Rupee One) each.
- ii. the Company has issued and allotted 1,58,69,604 (One Crore Fifty-Eight Lakh Sixty Nine Thousand Six Hundred Four) equity shares of the face value of INR 1 (Indian Rupee One) each to the existing equity shareholder of the Company. The shares were issued pursuant to the provisions of section 62(1)(a) of the Act and rules made there under. Details of the shares issued is mentioned below:

Date of Allotment	Type of Issue	Number of shares issued	Face value of the shares
04.04.2022	Right Issue	13,60,027	INR 1 per share
07.04.2022	Right Issue	31,75,866	INR 1 per share
14.06.2022	Right Issue	32,19,210	INR 1 per share
11.07.2022	Right Issue	16,02,159	INR 1 per share
09.09.2022	Right Issue	65,12,342	INR 1 per share

- iii. the Company has not reclassified or sub-divided the authorized share capital.
- iv. the Company has not reduced the share capital.
- v. the Company has not bought buy any shares.
- vi. the Company has not changed its capital structure resulting from any restructuring.
- vii. the Company has not issued any equity shares with differential voting rights, sweat equity shares, convertible securities debenture, bonds, warrants.

Changes in Subsidiaries, Joint Ventures and Associates

The Company did not have any Subsidiary, Joint Venture or Associate Company during the year under review.

Web Address where Annual Return is placed

The copy of Annual return in prescribed Form MGT-7 has been hosted on the Company's website and the link of the same is <https://www.meesho.com>.

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Directors and Key Managerial Personnel

i. Appointments and resignations of Directors during the year

During the year under review, there were no appointments or resignations.

ii. Key Managerial Personnel of the Company during the year

Vidit Aatrey and Sanjeev Kumar, the Whole-Time Directors of the Company, are regarded as the Key Managerial Personnel of the Company. Further, the Company is not required to appoint KMPs under Section 203 of the Act.

Board of Directors, Meetings, and its Committees

i. Composition of the Board

The Board is constituted as per the provisions of the Companies Act, 2013 read with the Articles of Association of the Company. As on March 31, 2023, the total strength of the Board was 2 (Two) Directors.

The Board on March 31, 2023, comprises of the following Directors:

Sr. No.	Name of Director	Designation
1	Mr. Vidit Aatrey	Whole Time Director
2	Mr. Sanjeev Kumar	Whole Time Director

ii. Meetings of the Board held during the year

The Board met 8 (Eight) times during the financial year 2022-23 on following dates:

05.04.2022, 16.05.2022, 28.06.2022, 16.08.2022, 30.09.2022, 30.11.2022, 04.01.2023, 15.03.2023

The details of Board meetings attended by Directors are as under:

Sr. No.	Name of Director	Board Meetings	
		Held during the tenure	Attended
1	Mr. Vidit Aatrey	8	8
2	Mr. Sanjeev Kumar	8	8

iii. Corporate Social Responsibility ("CSR") Committee

The CSR Committee of the Company is duly constituted in accordance with the provisions of the Act, at the meeting of Board of Directors held on 04 January 2023. The Company has in place CSR Policy which outlines the Company's philosophy and responsibility and lays down the guidelines and mechanism for undertaking socially impactful programs towards welfare and sustainable development of the community around the area of its operations. The Policy is disclosed on the website of the Company at <https://www.meesho.com/legal/csr-policy?embed=true>.

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Further, the details pertaining to the composition, terms of reference, the meetings held during the financial year under review and other details as required under the Act are annexed to this report as **Annexure - II**.

Policy on Directors' appointment and remuneration

Your Company does not fall within the criteria mentioned under Section 178(1) of the Act for applicability of the provisions pertaining to directors' Nomination and Remuneration. Hence, your Company is not required to constitute a Nomination and Remuneration Committee and to comply with other provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder.

Board Evaluation

The provisions of section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014 for having formal self-annual evaluation by the Board are not applicable to the Company. Consequently, the requirement under the stated section with respect to furnishing a statement indicating manner in which formal evaluation has been made by the Board of its own performance and individual Directors do not apply to the Company.

Declaration of Independent Directors

The provisions of Section 149 of the Act pertaining to the appointment of Independent Directors are not applicable to the Company.

Particulars of contracts or arrangements made with related parties

The contracts or arrangements made with related parties are reported in Form AOC-2 which is hereby marked and attached as **Annexure-I** and you may also refer to related party transactions in note no. 31 of the financial statements.

Director's responsibility statement

In accordance with the provisions of section 134(3)(c) and 134(5) of the Act, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

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- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors:

(a) Statutory Auditor

The term of M/s. BSR & Associates LLP, Chartered Accountants, (Firms' Registration No: 116231W/W-100024) shall be expiring at the ensuing 8th annual general meeting of the Company.

The Board of Directors proposed to appoint M/s S.R. Batliboi & Associates LLP, Chartered Accountants having firm registration no. 101049W/E300004 as the statutory auditors of the Company for a term of five consecutive years to hold office from the conclusion of 8th Annual General Meeting until the conclusion of 13th Annual General Meeting of the Company.

The Company has received a from the proposed statutory auditors to the effect that their appointment, if made, shall be within the limit prescribed under the section 141 of the Companies Act, 2013 and they are not disqualified for such appointment within the meaning of the said section.

Auditor's Report on the Financial Statement for the financial year ended 31st March 2023 forms part of this report. The Auditor's Report is self-explanatory and does not contain any qualification or reservations or adverse remark or report of fraud.

(b) Cost Auditor

The provisions of section 148 of the Act read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 do not apply to the Company. Accordingly, the Company has not appointed a Cost Auditor.

(c) Secretarial Auditor

The provisions of section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 do not apply to the Company. Accordingly, the Company has not appointed a Secretarial Auditor.

Internal Financial Control and Adequacy

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

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. There

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is an Internal Committee (IC) which is responsible for redressal of all the complaints related to sexual harassment and follows the guidelines provided in the policy.

For the period under review, the IC received NIL complaints.

Vigil Mechanism

The Company has adopted the whistleblower mechanism for directors and employees to report genuine concerns to the management viz. instances of unethical behaviors, actual or suspected fraud or violation of the Company's code of conduct and ethics. The Company has also formulated a Whistle Blower Policy ("Policy") which provides adequate safeguards against victimization of employees and directors.

Particulars of Employees

The Company, being a private limited company is not required to disclose information pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Outgo

A. Conservation of Energy

Your Company continues to strengthen its energy conservation efforts. Your Company is always on the lookout for energy efficient measures for operation and value conservation of energy through usage of latest technologies for quality of services. Your Company is making the best possible efforts for conservation of energy, which assures that the computers and all other equipment purchased by the Company strictly adhere to environmental standards, and they make optimum utilization of energy.

Your Company has also put in place the continuous process of identifying and replacing in a phased manner, the machinery used like computers, air conditioners, UPS etc., which are low in efficiency.

B. Technology Absorption

- i. The efforts made towards technology absorption;
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution;
- iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

- The details of technology imported;
- The year of import;
- Whether the technology been fully absorbed;
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

- iv. The expenditure incurred on Research and Development.

Given the nature of the activities of the Company, the above would not be applicable to the Company.

C. Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year: NIL

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The Foreign Exchange outgo in terms of actual outflows during the year: INR 1303.78 Mn.

Significant Material Orders passed by the Regulators or Courts or Tribunal

During the year under review, there were no significant and material orders passed by the Regulators/Courts/Tribunals impacting the going concern status and the Company's operations in future.

Material Changes and Commitments affecting the financial position of the Company

There have been no material changes or commitments affecting the financial position of the Company, which occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Corporate Social Responsibility

The Company has constituted a CSR Committee in accordance with the provisions of Section 135 of the Act. The Board of the Company has, based on the recommendations made by the CSR Committee, approved the CSR policy of the Company. The Company is committed to focusing on inclusive growth and improving lives by contributing towards communities around which it operates. The Company endeavors to ensure full utilization of the allocated CSR budget. However, as the Company did not have sufficient profits in the preceding three financial years, therefore, no funds were earmarked for spending on CSR activities.

Risk Management Policy and Identification of elements of risk

Your Company has in place a mechanism to inform the Board about the risk assessment and risk minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework.

Compliance of Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e., SS-1 relating to 'Meetings of the Board' and SS-2, relating to 'General Meetings', have been duly followed by the Company during the period under review.

Details of application made or proceeding pending under Insolvency and Bankruptcy Code 2016

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

Details of difference between valuation amount on one time settlement and valuation while availing loan from banks and financial institutions

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

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Acknowledgement and appreciation

Your Directors would like to place on record their gratitude for the valuable guidance and support received from the Reserve Bank of India, Ministry of Corporate Affairs, the other national, government and regulatory agencies and to convey their appreciation to the members, customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record their deep sense of appreciation for all the employees of the Company for their commitment, commendable efforts, teamwork and professionalism.

**For and on behalf of the Board of Directors
FASHNEAR TECHNOLOGIES PRIVATE LIMITED**

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Vidit Aatrey
Whole Time Director
DIN: 07248661

A handwritten signature in blue ink, appearing to read 'Sanjeev'.

Sanjeev Kumar
Whole Time Director
DIN: 07248672

Place: Bengaluru
Date: 27 Oct 2023

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**Annexure I****Form No. AOC-2**

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

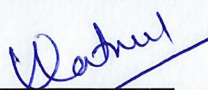
1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

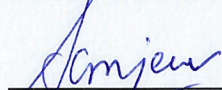
- a) Name(s) of the related party and nature of relationship:
- b) Nature of contracts/arrangements/transactions:
- c) Duration of the contracts/arrangements/transactions:
- d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- e) Justification for entering into such contracts or arrangements or transactions:
- f) Date(s) of approval by the Board:
- g) Amount paid as advances, if any:
- h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

2. Details of contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
Meesho Inc., Holding Company	Commercial	Case to case basis	INR 14.02 million	NA	NA

For and on behalf of the Board of Directors
FASHNEAR TECHNOLOGIES PRIVATE LIMITED


Vidit Aatrey
Whole Time Director
DIN: 07248661


Sanjeev Kumar
Whole Time Director
DIN: 07248672

Place: Bengaluru
Date: 27 Oct 2023

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Annexure II
REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company

The CSR Policy outlines and lays down the guidelines for the Company to make CSR a key business process for sustainable development of the Society. It aims at enhancing welfare measures of the Society on an immediate and long-term basis and to demonstrate commitment to common good through responsible business practices.

The Company is committed towards integrating the economic, environmental, and social concerns of our country with the Company's operation and growth. Company in alignment with the endeavor of the government to uplift the society is committed to contribute to the society at large by way of social and cultural developments, imparting education, social awareness, environmental protection and maintaining ecological balance.

2. Composition of CSR Committee as on 31.03.2023):

S.No.	NAME	Designation
1.	Vidit Aatrey	Chairperson and Member
2.	Sanjeev Kumar	Member

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The CSR Policy of the Company is available on the website of the Company at <https://www.meesho.com/legal/csr-policy?embed=true>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : Not Applicable.**6. (a) Average net profit of the company as per section 135(5) - Nil, due to continuing losses during three preceding financial years.**

(b) Two percent of average net profit of the company as per section 135(5) - NIL

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- NIL

(d) Amount required to be set off for the financial year, if any- NIL

(e) Total CSR obligation for the financial year (5b+5c-5d)– NIL

7. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Not Applicable

(b) Amount spent in Administrative Overheads: Not Applicable

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year (6a+6b+6c): Not Applicable

(e) CSR amount spent or unspent for the Financial Year: Not Applicable

(f) Excess amount for set-off, if any: Not Applicable

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8. Details of Unspent CSR amount for the preceding three financial years: Not Applicable

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year-

	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (asset-wise details)	
(a)	Date of creation or acquisition of the capital asset(s).	Nil
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Nil
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Nil
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Nil

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable

A handwritten signature in blue ink, appearing to read 'Vidit Aatrey'.

Vidit Aatrey
Whole Time Director &
Chairman & Member
DIN: 07248661

A handwritten signature in blue ink, appearing to read 'Sanjeev Kumar'.

Sanjeev Kumar
Whole Time Director &
Member
DIN: 07248672

Place: Bengaluru
Date: 27 Oct 2023

Independent Auditor's Report

To the Members of Fashnear Technologies Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fashnear Technologies Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows 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 given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive loss, changes in equity and its cash flows 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 Act. Our responsibilities under those SAs 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) 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 have nothing to report in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the

Registered Office:

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)

Fashnear Technologies Private Limited

Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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

Independent Auditor's Report (Continued)

Fashnear Technologies Private Limited

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

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

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

- a. We have sought and 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, except that the back-up of Admin and Supplier pannel which form part of the 'books of account and other relevant books and papers in electronic mode' have not been maintained on the servers physically located in India.
- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 03 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 29 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37(f) to the financial statements, no funds have been received by the Company from

Independent Auditor's Report (Continued)

Fashnear Technologies Private Limited

any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.:116231W/W-100024

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Date: 2023.10.20
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Vipin Lodha

Partner

Place: Bengaluru

Date: 20 October 2023

Membership No.: 076806

ICAI UDIN:23076806BGZDCA1850

Annexure A to the Independent Auditor's Report on the Financial Statements of Fashnear Technologies Private Limited for the year ended 31 March 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering application based marketplace services that connects a) suppliers and end consumers b) suppliers and resellers, enabling resellers to sell products to their buyers on social platforms. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, limited liability partnerships or any other parties during the year, except that the Company has granted loans to its employees during the year, in respect of which the requisite information is as below:
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to its employees as below:

Particulars	Advances in nature of loans (in Rs. millions)
Aggregate amount during the year to the employees	87.55
Balance outstanding as at balance sheet date with the employees	50.13

**Annexure A to the Independent Auditor's Report on the Financial Statements of Fashnear Technologies Private Limited for the year ended 31 March 2023
(Continued)**

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

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

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Goods and Services Act, 2017	Demand	142.91 million (14.29 million)*	October 2018 to March 2020	Commissioner (Appeals), Thane	Nil

*Represents amount paid as pre-deposit.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

**Annexure A to the Independent Auditor's Report on the Financial Statements of Fashnear Technologies Private Limited for the year ended 31 March 2023
(Continued)**

- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Establishment of vigil mechanism is not mandated for the Company. We have taken into consideration the whistle blower complaints received under the vigil mechanism established voluntarily by the Company during the year and shared with us while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

**Annexure A to the Independent Auditor's Report on the Financial Statements of Fashnear Technologies Private Limited for the year ended 31 March 2023
(Continued)**

- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses of Rs 14,470.97 in the current financial year and Rs 30,855.83 in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.:116231W/W-100024

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Vipin Lodha

Partner

Place: Bengaluru

Date: 20 October 2023

Membership No.: 076806

ICAI UDIN:23076806BGZDCA1850

Annexure B to the Independent Auditor's Report on the financial statements of Fashnear Technologies Private Limited for the year ended 31 March 2023

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

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

Opinion

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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

**Annexure B to the Independent Auditor's Report on the financial statements of Fashnear Technologies Private Limited for the year ended 31 March 2023
(Continued)**

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024

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Vipin Lodha

Partner

Place: Bengaluru

Date: 20 October 2023

Membership No.: 076806

ICAI UDIN:23076806BGZDCA1850

Fashnear Technologies Private Limited
Balance Sheet
(All amounts are in INR millions unless otherwise stated)

Particulars	Notes	As at		
		31 March 2023	31 March 2022 Restated*	1 April 2021 Restated*
ASSETS				
Non-current assets				
Property, plant and equipment	4	231.22	254.61	59.34
Intangible assets	5	219.37	60.53	20.28
Intangible assets under development	6	17.34	-	-
Right-of-use-assets	7	110.17	33.94	-
Financial assets				
i. Investments	8	1,106.44	-	1.87
ii. Bank balances	14	5,750.00	-	-
iii. Other financial assets	10	1.45	20.28	-
Other non-current assets	11	2,757.07	164.95	53.68
Total non-current assets		10,193.06	534.31	135.17
Current assets				
Financial assets				
i. Investments	8	19,426.47	11,977.75	3,573.53
ii. Trade receivables	12	3.96	-	-
iii. Cash and cash equivalents	13	952.24	4,236.78	710.03
iv. Bank balances other than (iii) above	14	560.20	947.20	7.06
v. Loans	9	50.13	29.06	1.51
vi. Other financial assets	10	1,722.72	5,061.91	2,335.29
Other current assets	11	2,624.41	3,372.04	628.80
Total current assets		25,340.13	25,624.74	7,256.22
Total assets		35,533.19	26,159.05	7,391.39
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	78.35	62.48	38.98
Other equity	16	21,694.77	4,664.13	1,495.18
Total equity		21,773.12	4,726.61	1,534.16
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Lease liabilities	34	-	17.39	-
Provisions	18	230.28	123.50	39.85
Total non-current liabilities		230.28	140.89	39.85
Current liabilities				
Financial liabilities				
i. Lease liabilities	34	116.80	15.59	-
ii. Trade payables	19			
-Total outstanding dues of micro enterprises and small enterprises		36.00	249.15	47.04
-Total outstanding dues of creditors other than micro enterprises and small enterprises		8,364.21	12,997.08	2,811.72
iii. Other financial liabilities	17	4,418.01	7,331.27	2,788.18
Other current liabilities	20	496.52	636.52	152.12
Provisions	18	98.25	61.94	18.32
Total current liabilities		13,529.79	21,291.55	5,817.38
Total liabilities		13,760.07	21,432.44	5,857.23
Total equity and liabilities		35,533.19	26,159.05	7,391.39

Significant accounting policies 3

*The comparative information is restated on account of restatement. See Note 40.

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

As per our report of even date attached:

for **B S R & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W/W-100024

**VIPIN
LODHA**

Vipin Lodha

Partner

Membership number: 076806

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LODHA
Date: 2023.10.20
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for and on behalf of Board of Directors of

Fashnear Technologies Private Limited

CIN: U74900KA2015PTC082263

**VIDIT
AATREY**

Vidit Aatreay

Director

DIN: 7248661

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Date: 2023.10.20
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**SANJEEV
KUMAR**

Sanjeev Kumar

Director

DIN: 7248672

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Date: 2023.10.20
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Place: Bengaluru
Date: 20 October 2023

Place: Bengaluru
Date: 20 October 2023

Place: Bengaluru
Date: 20 October 2023

Fashnear Technologies Private Limited
Statement of Profit and Loss
(All amounts are in INR millions unless otherwise stated)

Particulars	Notes	For the year ended	
		31 March 2023	31 March 2022
Income			
Revenue from operations	21	57,345.19	32,323.03
Other income	22	1,547.61	1,271.02
Total income		58,892.80	33,594.05
Expenses			
Employee benefits expense	23	7,263.35	5,092.75
Finance costs	24	13.38	0.22
Depreciation and amortization expense	25	298.45	89.57
Other expenses	26	68,067.75	60,889.92
Total expenses		75,642.93	66,072.46
Loss before tax		(16,750.13)	(32,478.41)
Tax expense			
- current tax		-	-
- deferred tax expenses / (credit)		-	-
Total tax expense		-	-
Loss for the year		(16,750.13)	(32,478.41)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		(10.42)	(29.74)
Other comprehensive (loss), net of tax		(10.42)	(29.74)
Total comprehensive loss for the year		(16,760.55)	(32,508.15)
Loss per share (Nominal value of Rs 10 each)			
- Basic and Diluted (INR)		(225.38)	(606.46)
- Number of shares used in computing basic loss per share (INR)	30	74,317,900	53,553,719

Significant accounting policies

3

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

As per our report of even date attached:

for **BSR & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W/W-100024

**VIPIN
LODHA**

Vipin Lodha

Partner

Membership number: 076806

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VIPIN LODHA
Date: 2023.10.20
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for and on behalf of Board of Directors of

Fashnear Technologies Private Limited

CIN: U74900KA2015PTC082263

**VIDIT
AATREY**

Vidit Aatrey

Director

DIN: 7248661

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Date: 2023.10.20
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**SANJEEV
KUMAR**

Sanjeev Kumar

Director

DIN: 7248672

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Date: 2023.10.20
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Place: Bengaluru

Date: 20 October 2023

Place: Bengaluru

Date: 20 October 2023

Place: Bengaluru

Date: 20 October 2023

Fashnear Technologies Private Limited
Statement of changes in equity
(All amounts are in INR millions unless otherwise stated)

A. Equity share capital	Amount
Particulars	
As at 31 March 2022	62.48
Changes in equity share capital during 2022-23	15.87
As at 31 March 2023	78.35
As at 31 March 2021	38.98
Changes in equity share capital during 2021-22	23.50
As at 31 March 2022	62.48

B. Other equity

Particulars	Share application money pending allotment	Reserves and Surplus				Total
		Deemed capital contribution	Securities Premium	Retained earnings	Remeasurement of defined employee benefit plans	
As at 31 March 2022	2,273.70	2,523.94	41,459.04	(41,565.69)	(26.86)	4,664.13
Loss during the year	-	-	-	(16,750.13)	-	(16,750.13)
Other comprehensive loss for the year	-	-	-	-	(10.42)	(10.42)
Issues of equity shares	(2,273.70)	-	35,009.39	-	-	32,735.69
Share issue expenses	-	-	(2.52)	-	-	(2.52)
Employee stock option expense during the year (Refer Note 33)	-	1,058.02	-	-	-	1,058.02
As at 31 March 2023	-	3,581.96	76,465.91	(58,315.82)	(37.28)	21,694.77
As at 1 April 2021	-	545.62	10,033.96	(9,087.28)	2.88	1,495.18
Loss during the year	-	-	-	(32,478.41)	-	(32,478.41)
Other comprehensive loss for the year	-	-	-	-	(29.74)	(29.74)
Issues of equity shares	2,273.70	-	31,454.63	-	-	33,728.33
Share issue expenses	-	-	(29.55)	-	-	(29.55)
ESOP liability transferred (Refer Note 31)	-	8.55	-	-	-	8.55
Employee stock option expense during the year (Refer Note 33)	-	1,969.77	-	-	-	1,969.77
As at 31 March 2022	2,273.70	2,523.94	41,459.04	(41,565.69)	(26.86)	4,664.13

Significant accounting policies

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

As per our report of even date attached:

for **B S R & Associates LLP**
Chartered Accountants
Firm's registration number: 116231W/W-100024
VIPIN LODHA
Date: 2023.10.20 18:32:57
+05'30'

Vipin Lodha
Partner
Membership number: 076806

Place: Bengaluru
Date: 20 October 2023

for and on behalf of Board of Directors of
Fashnear Technologies Private Limited
CIN: U74900KA2015PTC082263

VIDIT
AATREY
Date: 2023.10.20 13:27:46 +05'30'

Vidit Aatrey
Director
DIN: 7248661

Place: Bengaluru
Date: 20 October 2023

SANJEEV KUMAR
Date: 2023.10.20 13:48:22 +05'30'

Sanjeev Kumar
Director
DIN: 7248672

Place: Bengaluru
Date: 20 October 2023

Digitally signed by
SANJEEV KUMAR
Date: 2023.10.20 13:48:22 +05'30'

Fashnear Technologies Private Limited
Statement of Cash Flows
(All amounts are in INR millions unless otherwise stated)

Particulars	Notes	For the year ended	
		31 March 2023	31 March 2022 Restated*
Cash flow from operating activities			
Loss before tax		(16,750.13)	(32,478.41)
Adjustments for:			
Depreciation and amortisation expense		298.45	89.57
Loss on sale of property, plant and equipment		22.46	-
Property, plant and equipment written off		1.31	3.81
Provision for doubtful advances		239.60	57.47
Advances to suppliers written off		-	85.33
Provision for other receivables		11.21	6.00
Gain on disposal / fair valuation of mutual funds		(628.62)	(327.91)
Marked to market gain on forward contracts		-	(589.58)
Interest income		(868.37)	(279.29)
Interest on lease liabilities		13.38	0.22
Employee stock option expense		1,058.02	1,969.77
Operating loss before working capital changes		(16,602.69)	(31,463.02)
Movement in working capital			
Change in trade receivables		(3.96)	-
Change in other financial assets		3,453.86	(2,150.35)
Change in other assets		(1,743.28)	(2,729.57)
Change in loans and advances		(260.67)	(27.55)
Change in trade payables		(4,846.02)	10,387.47
Changes in other financial liabilities		(2,913.89)	4,398.88
Change in liabilities and provisions		(7.33)	581.93
Cash used in operating activities		(22,923.98)	(21,002.21)
Income taxes paid, net of refund		(101.21)	(124.94)
Net cash used in operating activities (A)		(23,025.19)	(21,127.15)
Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets and intangible assets under development		(379.81)	(327.54)
Proceeds from sale of property, plant and equipment		15.03	-
Purchase of investments		(143,004.84)	(87,592.30)
Proceeds from sale of investments		130,476.61	78,852.59
Net cash used in investing activities (B)		(12,893.01)	(9,067.25)
Cash flows from financing activities			
Proceeds from issue of share capital (including share premium)		32,751.56	31,478.13
Proceeds from share application pending allotment		-	2,273.70
Payment of share issue expenses		(2.52)	(29.55)
Payment of lease liabilities		(115.38)	(1.13)
Net cash generated from financing activities (C)		32,633.66	33,721.15
Net (decrease)/ increase in cash and cash equivalents (A + B +C)		(3,284.54)	3,526.75
Cash and cash equivalents at the beginning of the year	13	4,236.78	710.03
Cash and cash equivalents at end of the year		952.24	4,236.78

Fashnear Technologies Private Limited
Statement of Cash Flows (continued)
(All amounts are in INR millions unless otherwise stated)

Reconciliation of cash and cash equivalents as per the Statement of cash flows

Cash and cash equivalents as per above comprise the following

		31 March 2023	31 March 2022
Cash and cash equivalents	13		
Cash on hand		-	-
Balances with banks:			
in current accounts		952.24	4,236.78
in deposit accounts		-	-
Balances per Statement of cash flows		952.24	4,236.78

Reconciliation of financial liabilities forming part of financing activities in accordance with Ind AS 7:

Particulars	As at 1 April 2022	Lease payments	Additions	Interest expense	As at 31 March 2023
Lease liabilities (refer note 34)	32.98	(115.38)	185.83	13.38	116.80
Total	32.98	(115.38)	185.83	13.38	116.80

Particulars	As at 1 April 2021	Lease payments	Additions	Interest expense	As at 31 March 2022
Lease liabilities (refer note 34)	-	(1.13)	33.89	0.22	32.98
Total	-	(1.13)	33.89	0.22	32.98

Significant accounting policies 3

*The comparative information is restated on account of restatement. See Note 40.

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

As per our report of even date attached:

for **B S R & Associates LLP**

Chartered Accountants

Firm's registration number: 116231 W/W-100024

**VIPIN
LODHA**

Digitally signed by
VIPIN LODHA
Date: 2023.10.20
18:33:22 +05'30'

Vipin Lodha

Partner

Membership number: 076806

for and on behalf of Board of Directors of

Fashnear Technologies Private Limited

CIN: U74900KA2015PTC082263

**VIDIT
AATREY**

Digitally signed
by VIDIT AATREY
Date: 2023.10.20
13:28:11 +05'30'

Vidit Aatrey

Director

DIN: 7248661

**SANJEEV
KUMAR**

Digitally signed
by SANJEEV
KUMAR
Date: 2023.10.20
13:49:00 +05'30'

Sanjeev Kumar

Director

DIN: 7248672

Place: Bengaluru

Date: 20 October 2023

Place: Bengaluru

Date: 20 October 2023

Place: Bengaluru

Date: 20 October 2023

1. Company Overview

Fashnear Technologies Private Limited ('the Company') was registered as a private limited company on 13 August 2015 under the Companies Act, 2013. The Company is an application based marketplace that connects a) suppliers and end consumers or b) supplier and resellers, enabling resellers to sell products to their buyers on facebook, whatsApp, and other social platforms.

2. Basis of preparation

A. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act and Rules thereunder.

The financial statements were authorized for issue by the Company's Board of Directors on 20 October 2023.

Details of the Company's significant accounting policies are included in Note 3.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest millions, unless otherwise indicated.

C. Basis of measurement

These financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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 and the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method.

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and the disclosure of contingent liabilities on the date of the financial statements and reported amount of income and expenses during the year. The estimates and assumption used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods affected.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 is included in the following notes:

- Note 28- measurement of defined benefit obligations: key actuarial assumptions.
- Note 29- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources. The Company uses estimates and judgements based on the relevant rulings in the areas of allowances and disallowances which is exercised while determining the provision for income tax.
- Note 35 - recognition of deferred tax assets: timing and level of future taxable profits together with future tax planning strategies.
- Notes 4, 5, 6 and 7- Useful life of property, plant and equipment and intangible assets: 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.
- Note 27 - Impairment of financial assets: assumptions about risk of default and expected timing of collection.
- Note 33 - Employees and consultants stock based payment: assumptions and estimates for calculation of fair value of options.
- Note 34 - Leases: assessment of lease term and applicable accounting rate.

3. Significant accounting policies

(a) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including freight, duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

ii. Subsequent expenditure

Subsequent expenditures are capitalized, only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their estimated useful lives using the straight line method, and is generally recognised in the Statement of Profit and Loss. Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / upto the date on which asset is ready for use / disposed.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Property, plant and equipment	Useful life
Furniture and Fixtures	10 Years
Office Equipment	2-10 Years
Computers and accessories	3-6 Years
Vehicles	8 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

(b) Intangible assets

i. Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in the Statement of Profit and Loss when it is incurred.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight- line method, and is included in depreciation and amortisation in the Statement of Profit and Loss.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

Softwares and business application development cost are amortized over a period of three years.

3. Significant accounting policies (continued)

(c) Leases

Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- a) the contract involves the use of an identified asset;
- b) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- c) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date or transition date whichever is later. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right of use assets are depreciated from the lease commencement date or transition date whichever is later on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

(d) Financial instruments

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Financial assets at Amortized cost:

Financial assets that are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

Financial assets at fair value through other comprehensive income (OCI):

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business 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.

Equity instruments held for trading are classified as at FVTPL. For other equity instruments the Company classifies the same as at FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity instruments at FVTOCI, excluding dividends, are recognised in OCI. Dividends are recognised as income in Statement of Profit and Loss.

Financial assets at fair value through profit and loss (FVTPL):

All financial assets not classified as amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

3. Significant accounting policies (continued)

(d) Financial instruments (continued)

Financial liabilities:

Financial liabilities are measured at amortised cost using the effective interest method.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(e) Impairment

(i) Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all receivables that do not constitute a financing transaction. In determining the allowances for doubtful receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a individual characteristics of each customer. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The Company assesses, at each balance sheet date, whether there is any indication that a non-financial asset may be impaired. If any such indications exist, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

(f) Revenue recognition

A. Revenue from contracts with customer

The Company earns revenue from services of market place which is an online marketplace that initiates, facilitates and coordinates buying and selling of products and services between suppliers and end consumers, or suppliers and resellers.

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 services to the customer 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) Revenue from marketplace:

Revenue derived from operating the marketplace is recognized based on the terms of the contracts with the suppliers. Revenue is recognised at a point in time upon the delivery of goods from the supplier to the end consumer and is reduced to the extent returned. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured based on the amount of consideration that the Company expect to receive, reduced by estimates for return allowances and rebates. Revenue also excludes any amounts collected on behalf of suppliers, any third parties including taxes or duties collected on behalf of the government. As there is no credit period given to customers, there is no financing component in the contract.

In case of returns delivered back to the suppliers corresponding income is reversed and is recorded as reduction of revenue. The Company assess and trues up the revenue for the items that are returned on an ongoing basis and adjust the income received from the suppliers.

3. Significant accounting policies (continued)

(f) Revenue recognition (continued)

A. Revenue from contracts with customer (continued)

In case of returns/refunds corresponding shipping charges and in case of cancellations corresponding cancellation penalties, revenues are recognized to the extent it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is recognised immediately upon the delivery of picked goods to the suppliers.

(ii) Revenue from advertising:

Revenue from advertising is recognised as advertisements which are delivered based on the number of clicks on the online platform of the Company. Due to the short nature of credit period given to customers, there is no financing component in the contract.

(iii) Contract balances:

- 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).

Amount paid by the end consumers to the Company and lying with intermediaries are classified as Marketplace receivables. The Company's obligation to the suppliers on the amount collected by the Company on their behalf from the end consumers are classified as Marketplace payables.

B. Other income

Interest income is recognised using the effective interest method. Effective interest is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss. Other income primarily comprises interest income on fixed deposits, certificate of deposits and changes in fair value and gains/(losses) on disposal of financial instruments classified as FVTPL.

(g) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the certain items like equity investments at fair value through OCI are recognised in OCI.

(h) Income taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reliably measured. Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. MAT paid in accordance with the tax laws, which gives rise to future economic benefits in form of adjustment of future income tax liability, is considered as an asset if there is a convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

3. Significant accounting policies (continued)

(i) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities and contingent assets

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 contingent liability is not recognised in the books of accounts but its existence is disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(j) Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit method as at the reporting date.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no legal or constructive obligation to pay further amounts. All eligible employees receive benefit from provident fund, which is a defined contribution plan. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Defined benefit plans

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

The Company provides for gratuity, a defined benefit plan covering all eligible employees. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried at the year-end using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date having maturity periods approximating the term of the related obligation. Actuarial gains or losses are recognized immediately in the Statement of Profit and Loss.

The plan provides a lump-sum payment to eligible employees at retirement or on termination of employment based on the salary of the respective employee and the years of employment with the Company.

Actuarial gains or losses are recognised in other comprehensive income. Remeasurement comprising actuarial gains or losses are not reclassified to the Statement of Profit and Loss in subsequent periods.

3. Significant accounting policies (continued)

(k) Employee and consultant Stock-based payment

Stock options are granted by Meesho Inc., the Holding Company to Company's eligible employees and consultants. The Company does not have any obligation of payment of equity shares to the employees and consultants hence these are classified as equity settled share based payments.

The grant date fair value of equity settled share based payment awards granted to employees is recognized as an compensation expenses relating to share based payments in the Statement of Profit and Loss using fair value in accordance with Ind AS 102 Share Based Payment. These Employee Stock Options Scheme granted are measured by reference to the fair value of the instrument at the date of the grant. The expense is recognised in the Statement of Profit and Loss with a corresponding increase in the Deemed capital contribution, a component of equity. The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants.

Share based payments granted to the consultants are recorded at the fair value of the services rendered on the grant date i.e., value of the amount to be paid to the consultants.

The share based payment transactions with employees are classified as "Employee benefits".

(l) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and highly liquid investments with an original maturity of up to three months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(m) Earnings per share / loss per share

In determining earnings per share / loss per share, the Company considers the net profit / loss after tax and includes the post-tax effect of any extra-ordinary item. The number of equity shares used in earnings per share / loss per share is the weighted average number of equity shares outstanding during the period. Diluted earnings per share / loss per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

(n) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

(O) Recent Accounting Pronouncements

Amendments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

a) Ind AS 1 — Presentation of financial statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies.

Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

b) Ind AS 12 — Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

c) Ind AS 8 — Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

4 Property, plant and equipment

[illegible]

Particulars	Gross Carrying amount				Accumulated depreciation				Net Carrying amount
	As at 1 April 2021	Additions	Deletions	As at 31 March 2022	As at 1 April 2021	Depreciation for the Year	Deletions	As at 31 March 2022	
Furniture and fixtures	0.67	3.38	-	4.05	0.09	0.18	-	0.27	3.78
Office equipment	3.10	32.57	0.31	35.36	1.09	4.35	0.23	5.21	30.15
Computers and accessories	93.41	225.68	5.11	313.98	41.39	58.34	1.38	98.35	215.63
Vehicles	5.38	1.05	-	6.43	0.65	0.73	-	1.38	5.05
Total	102.56	262.68	5.42	359.82	43.22	63.60	1.61	105.21	254.61

5 Intangible assets

Particulars	Gross Carrying amount			Accumulated amortisation			Net Carrying amount
	As at 1 April 2022	Additions	Deletions	As at 31 March 2023	Amortisation for the Year	Deletions	
Software	93.86	11.51	-	105.37	33.33	31.57	40.46
Business application development cost	-	199.87	-	199.87	-	20.96	178.91
Total	93.86	211.38	-	305.24	33.33	52.53	219.37

Particulars	Gross Carrying amount			Accumulated amortisation			Net Carrying amount	
	As at 1 April 2021	Additions	Deletions	As at 31 March 2022	As at 1 April 2021	Amortisation for the Year	Deletions	As at 31 March 2022
Software	29.00	64.86	-	93.86	8.72	24.61	-	33.33
Total	29.00	64.86	-	93.86	8.72	24.61	-	33.33
								60.53
								60.53

6 Intangible assets under development

Particulars	Gross Carrying amount		
	As at 1 April 2022	Additions	As at 31 March 2023
Intangible assets under development	-	217.21	17.34
Total	-	217.21	17.34

Intangible assets under development aging schedule for the year ended 31 March 2023:

Period in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years
As at 31 March 2023	17.34	-	-	-

7 Right-of-use Assets

Description	Gross Carrying amount			Accumulated depreciation			Net carrying amount
	As at 1 April 2022	Additions	Deletions	As at 31 March 2023	During the year	Deletions	
Buildings	35.30	186.45	-	221.75	110.22	-	110.17
Total	35.30	186.45	-	221.75	110.22	-	110.17

Description	Gross Carrying amount			Accumulated depreciation			Net carrying amount
	As at 1 April 2021	Additions	Deletions	As at 31 March 2022	During the year	Deletions	
Buildings	104.41	35.30	104.41	35.30	1.36	104.41	33.94
Total	104.41	35.30	104.41	35.30	1.36	104.41	33.94

8 Investments

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current investment		
<i>Quoted</i>		
Investment carried at amortized cost		
Investment in Bonds/Commercial papers		
250 (2022: Nil) units of 5.78% NTPC Limited NCD 29-Apr-24	259.13	-
250 (2022: Nil) units of 5.78% NTPC Limited NCD 29-Apr-24	259.13	-
150 (2022: Nil) units of 9.17% NTPC 22 Sep 2024	160.40	-
400 (2022: Nil) units of 9.17% NTPC 22 Sep 2024	427.77	-
(A)	1,106.44	-
Current investment		
<i>Quoted</i>		
Investment carried at fair value through profit and loss		
Investment in Mutual Funds		
Nil (2022: 65,719) units of Axis Liquid Fund - Dir - Growth	-	155.36
Nil (2022: 34,093) Units Of Nippon India Liquid Fund - Direct Plan Growth Plan	-	177.56
Nil (2022: 1,784,302) Units of Axis Overnight Fund Direct Growth	-	2,005.27
8,606,750 (2022: Nil) units of Nippon India Overnight Fund - Dir - Growth	1,035.94	-
40,590,229 (2022: Nil) units of IDFC Low Duration Direct-Growth	1,359.02	-
1,040,281 (2022: 5,608,814) units of Aditya Birla Sun Life Money Manager Fund - Dir - Growth	328.93	1,676.53
Nil (2022: 11,422,166) units of ICICI Prudential Overnight Fund Direct-Growth	-	1,309.07
183,339 (2022: 183,339) units of HDFC Money Market Fund - Dir - Growth	902.34	853.40
(B)	3,626.23	6,177.19
<i>Quoted</i>		
Investment carried at amortized cost		
Investment in Bonds/Commercial papers		
Nil (2022: 500) units of 0% Bajaj Finance Limited	-	685.72
Nil (2022: 500) units of 5.15% Kotak Mahindra Prime Limited	-	514.25
Nil (2022: 250) units of 6.85% Tata Capital Financial Services Limited	-	266.16
Nil (2022: 250) units of 8.5383% Bajaj Finance Limited	-	269.16
Nil (2022: 250) units of 8.5450% HDB Financial Services Limited	-	268.86
Nil (2022: 250) units of Zero Coupon Bond HDB Financial Services Limited	-	335.33
250 (2022: Nil) units of 5.4022% Bajaj Finance Limited 10-04-2023	263.12	-
250 (2022: Nil) units of 7.57% Aditya Birla Finance Limited 28-06-2023	268.01	-
250 (2022: Nil) units of 6.15% Aditya Birla Finance Limited 30-05-2023	251.02	-
250 (2022: Nil) units of 6.6835% HDB Financial Services Limited 26-10-2023	255.60	-
400 (2022: Nil) units of 6.6835% HDB Financial Services Limited 26-10-2023	409.98	-
500 (2022: Nil) units of 7.2871% HDB Financial Services Limited 27-07-2023	524.28	-
250 (2022: Nil) units of 7.2871% HDB Financial Services Limited 27-07-2023	262.14	-
500 (2022: Nil) units of 5.00% Bajaj Housing Finance Limited 15-09-2023	507.65	-
250 (2022: Nil) units of 5.70% Bajaj Finance Limited 11-08-2023	256.96	-
250 (2022: Nil) units of 5.40% Housing Development Finance Corporation Ltd 11-08-2023	257.43	-
250 (2022: Nil) units of 9.08% LIC Housing Finance Limited 17-10-2023	263.18	-
250 (2022: Nil) units of 9.08% LIC Housing Finance Limited 17-10-2023	262.98	-
250 (2022: Nil) units of 5.50% Kotak Mahindra Prime Limited 18-08-2023	255.96	-
250 (2022: Nil) units of 5.50% Kotak Mahindra Prime Limited 08-09-2023	255.94	-
250 (2022: Nil) units of 5.40% Housing Development Finance Corporation Ltd 11-08-2023	257.26	-
250 (2022: Nil) units of 5.40% Housing Development Finance Corporation Ltd 11-08-2023	257.26	-
250 (2022: Nil) units of 5.00% Bajaj Housing Finance Limited 15-09-2023	253.80	-
250 (2022: Nil) units of 5.00% Bajaj Housing Finance Limited 15-09-2023	253.80	-
250 (2022: Nil) units of 5.00% Bajaj Housing Finance Limited 15-09-2023	253.91	-
200 (2022: Nil) units of 5.50% Kotak Mahindra Prime Limited 08-09-2023	204.35	-
250 (2022: Nil) units of 9.08% LIC Housing Finance Limited 17-10-2023	262.91	-
250 (2022: Nil) units of 9.08% LIC Housing Finance Limited 17-10-2023	262.91	-
250 (2022: Nil) units of 6.6835% HDB Financial Services Limited 26-10-2023	255.94	-
250 (2022: Nil) units of 6.6835% HDB Financial Services Limited 26-10-2023	256.01	-
250 (2022: Nil) units of 5.00% Bajaj Housing Finance Limited 15-09-2023	253.91	-
350 (2022: Nil) units of 5.50% Kotak Mahindra Prime Limited 18-08-2023	359.03	-
2000 (2022: Nil) units of Mahindra & Mahindra Financial Services Ltd 363D CP 24AUG23	971.07	-
250 (2022: Nil) units of 5.00% Bajaj Housing Finance Limited 15-09-2023	253.90	-
3500 (2022: Nil) units of Tata Capital Financial Services Limited 365D CP 30AUG23	1,697.55	-
250 (2022: Nil) units of 9.08% LIC Housing Finance Limited 17-10-2023	262.76	-
250 (2022: Nil) units of 5.00% Bajaj Housing Finance Limited 15-09-2023	253.71	-
250 (2022: Nil) units of 5.50% Kotak Mahindra Prime Limited 12-10-2023	253.50	-
250 (2022: Nil) units of 5.00% Bajaj Housing Finance Limited 15-09-2023	253.76	-
250 (2022: Nil) units of 5.00% Bajaj Housing Finance Limited 15-09-2023	253.76	-
100 (2022: Nil) units of 5.00% Bajaj Housing Finance Limited 15-09-2023	101.46	-
250 (2022: Nil) units of 5.10% Bajaj Housing Finance Limited 11-08-2023	255.72	-
150 (2022: Nil) units of 5.4911% Kotak Mahindra Prime Limited 06-11-2023	151.31	-
250 (2022: Nil) units of 5.14% NABARD 31-Jan-24	247.25	-
250 (2022: Nil) units of 5.14% NABARD 31-Jan-24	247.21	-
250 (2022: Nil) units of 5.53% NABARD 22-Feb-24	247.02	-
150 (2022: Nil) units of 8.25% IRFC 28-Feb-2024	156.61	-
200 (2022: Nil) units of 8.70% PGC 15-July 2023	212.84	-
500 (2022: Nil) units of 6.40% NABARD 31-Jul-2023	518.91	-
(C)	13,763.67	2,339.48

8 Investments (continued)

Particulars	As at 31 March 2023	As at 31 March 2022
Current investment (continued)		
<i>Unquoted</i>		
Investment carried at amortized cost		
Investment in Certificate of Deposits		
4.25% HDFC Limited	-	203.33
5.00% HDFC Limited	-	828.22
5.00% Bajaj Finance Limited	-	508.92
5.05% HDFC Limited	-	407.22
5.15% Bajaj Finance Limited	-	70.58
5.25% LIC Housing Finance Limited	-	1,440.94
6.70% Bajaj Finance Ltd FD 15M Cum Opt 15-09-2023	526.52	-
6.90% Bajaj Finance Ltd FD 14M Cum Opt 19-10-2023	833.88	-
6.95% Bajaj Finance Ltd FD 14M Cum Opt 24-08-2023	156.26	-
7.40% HDFC Ltd FD 12 Months Cum Opt 04-10-2023	518.04	-
Investments in Tata AIA Unit Linked Insurance Plan	1.87	1.87
(D)	2,036.57	3,461.08
Total Current Investments (E)	(B+C+D)	11,977.75
Total Investments (F)	(A+E)	20,532.91
Aggregate amount of quoted investments	17,389.90	8,516.67
- Market value of quoted investments: Current	17,389.90	8,516.67
- Market value of quoted investments: Non - Current	-	-
Aggregate amount of unquoted investments	2,036.57	3,461.08
Aggregate amount of impairment in value of investments	-	-

9 Loans

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good		
Other loans	-	-
Current		
Unsecured, considered good		
To parties other than related parties		
Advance to employees	50.13	29.06
Marketplace advances	345.80	106.21
Less: Provision for doubtful advances	(345.80)	(106.21)
	50.13	29.06
Total Loans	50.13	29.06

10 Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022 Restated*
Non-current		
Security deposits		
Unsecured, considered good	1.45	20.28
	1.45	20.28
Current		
Security deposits		
Unsecured, considered good	50.29	31.36
Unsecured, considered doubtful	10.80	10.80
Less: Provision for doubtful security deposits	(10.80)	(10.80)
	50.29	31.36
Marketplace receivables *		
Unsecured, considered good	1,437.55	4,436.18
Unsecured, considered doubtful	31.13	19.93
Less : allowance for bad and doubtful debts	(31.13)	(19.93)
	1,437.55	4,436.18
Accrued interest	110.51	4.44
Receivable from related parties (refer note 31)	14.37	0.35
Derivative financial asset	-	589.58
Others **	110.00	-
Total other financial assets	1,722.72	5,061.91

*The comparative information is restated on account of restatement. See Note 40.

**This pertains to redemption from Aditya Birla Sunlife Mutual Fund received on 3 April 2023.

11 Other assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Advance tax, net of provision	265.39	164.18
Prepaid expense	233.64	0.77
Balances with Government authorities	2,258.04	-
(A)	2,757.07	164.95
Current		
Advances to creditors	662.55	672.10
Prepaid expenses	495.94	149.74
Balances with Government authorities	1,465.92	2,550.20
(B)	2,624.41	3,372.04
Total other assets (C)	(A+B) 5,381.48	3,536.99

12 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022 Restated*
Secured, considered good	-	-
Unsecured, considered good	3.96	-
Trade receivables- credit impaired	-	-
	3.96	-
Less : allowance for bad and doubtful debts	-	-
Total trade receivables	3.96	-

*The comparative information is restated on account of restatement. See Note 40.

The Company's exposure to credit risk, currency risk and loss allowances related to trade receivables and other receivables are disclosed in note 27.

The trade receivables ageing schedule as on 31 March 2023 is as follows :-

Particulars	Not due	Overdue					Total
		Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
(a) Considered good	-	3.96	-	-	-	-	3.96
(b) Credit impaired	-	-	-	-	-	-	-
Disputed							
(a) Considered good	-	-	-	-	-	-	-
(b) Credit impaired	-	-	-	-	-	-	-
Total	-	3.96	-	-	-	-	3.96
Less : Allowance for credit impaired balances	-	-	-	-	-	-	-
Total	-	3.96	-	-	-	-	3.96

13 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	-	-
Balances with banks		
- in current account	952.24	4,236.78
Total cash and cash equivalents	952.24	4,236.78

14 Other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Balances with banks:		
- in deposit accounts	5,750.00	-
	5,750.00	-
Current		
Balances with banks:		
- in deposit accounts (refer notes (i) and (ii) below)	560.20	947.20
	560.20	947.20
Total Other bank balances	6,310.20	947.20

(i) Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.

(ii) Amount of lien marked on deposits against guarantee & forward contracts is INR 490 Million as at 31 March, 2023 (INR 940.5 Million as at 31 March, 2022).

15 Share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
100,000,000 (2022: 100,000,000) equity shares of INR 1 each	100.00	100.00
	100.00	100.00
Issued, subscribed and paid-up		
78,349,851 (2022: 62,480,247) equity shares of INR 1 each	78.35	62.48
	78.35	62.48

Number of shares have been disclosed in absolute terms.

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Equity shares				
At the commencement of the year	62,480,247	62.48	38,981,027	38.98
Issued during the year	15,869,604	15.87	23,499,220	23.50
At the end of the year	78,349,851	78.35	62,480,247	62.48

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

The Company has only one class of equity share, having a par value of INR 1. Each holder of equity shares is entitled to one vote per share and receive dividends as declared from time to time. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount, if any. The distribution will be in proportion to number of equity shares held by the shareholders.

(c) Particulars of shares held by Holding/ Ultimate Holding Company and/or their subsidiaries/associates

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Meesho Inc.				
Equity shares of INR 1 each fully paid up	78,349,850	78.35	62,480,246	62.48

(d) Particulars of shareholders holding more than 5% shares of total number of equity shares

Name of the Shareholder	As at 31 March 2023		As at 31 March 2022	
	Number	% holding	Number	% holding
Meesho Inc. (Holding Company)	78,349,850	99.99%	62,480,246	99.99%

(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During the period of five years ended 31 March 2023 :-

The Company has not issued any shares for consideration other than cash.

The Company has not bought back any shares.

The Company has not issued any bonus shares.

(f) Disclosure of Shareholding of Promoters

The details of the shares held by the Promoters are as follows :

Promoter name	As at 31 March 2023			As at 31 March 2022		
	No. of shares	% of total shares	% change	No. of shares	% of total shares	% change
Meesho Inc.*	78,349,850	99.99%	-	62,480,246	99.99%	-

* Pursuant to a Board Resolution dated 20 October 2023 and in light of the facts and applicable provisions of the Companies Act, 2013 the Company concluded that Mr. Vedit Aatrey should not have been classified as the Promoter of the Company and that Meesho Inc. is the sole Promoter of the Company. Accordingly, the Company has updated above disclosure to reflect this change for the current and the previous year.

16 Other equity

Particulars	Reserves and Surplus					Total
	Share application money pending allotment	Deemed capital contribution	Securities Premium	Retained earnings	Remeasurement of defined employee benefit plans	
As at 1 April 2021	-	545.62	10,033.96	(9,087.28)	2.88	1,495.18
Loss during the year	-	-	-	(32,478.41)	-	(32,478.41)
Other comprehensive loss for the year	-	-	-	-	(29.74)	(29.74)
Issues of equity shares	2,273.70	-	31,454.63	-	-	33,728.33
Share issue expenses	-	-	(29.55)	-	-	(29.55)
ESOP liability transferred (Refer Note 31)	-	8.55	-	-	-	8.55
Employee stock option expense during the year (Refer Note 33)	-	1,969.77	-	-	-	1,969.77
As at 31 March 2022	2,273.70	2,523.94	41,459.04	(41,565.69)	(26.86)	4,664.13
Loss during the year	-	-	-	(16,750.13)	-	(16,750.13)
Other comprehensive loss for the year	-	-	-	-	(10.42)	259.58
Issues of equity shares	(2,273.70)	-	35,009.39	-	-	32,735.69
Share issue expenses	-	-	(2.52)	-	-	(2.52)
Employee stock option expense during the year (Refer Note 33)	-	1,058.02	-	-	-	1,058.02
As at 31 March 2023	-	3,581.96	76,465.91	(58,315.82)	(37.28)	21,694.77

17 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current	-	-
Total	-	-
Current		
Marketplace payables	4,418.01	7,331.27
Total other financial liabilities	4,418.01	7,331.27

The Company's exposure to liquidity risks related to other financial liabilities are disclosed in note 27.

18 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Provision for employee benefits		
Gratuity (refer note 28)	114.92	62.20
Compensated absences	115.36	61.30
	(A)	230.28
Current		
Provision for employee benefits		
Gratuity (refer note 28)	5.20	2.88
Compensated absences	93.05	59.06
	(B)	98.25
Total provisions (C)	(A+B)	328.53
		185.44

19 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 32)	36.00	249.15
Total outstanding dues of creditors other than micro enterprises and small enterprises		
-Others	8,364.21	12,997.08
Total trade payables	8,400.21	13,246.23

The Company's exposure to liquidity risks related to other financial liabilities are disclosed in note 27.

The trade payables ageing schedule as on 31 March 2023 is as follows :-

Particulars	Not due	Overdue				Total
		Up to 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises						
(a) Disputed dues						
(b) Undisputed dues	23.39	12.61	-	-	-	36.00
Total	23.39	12.61	-	-	-	36.00
Outstanding dues other than micro and small enterprises						
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	7,696.63	637.32	30.07	0.19	-	8,364.21
Total	7,696.63	637.32	30.07	0.19	-	8,364.21
Balance as at 31 March, 2023	7,720.02	649.93	30.07	0.19	-	8,400.21

The trade payables ageing schedule as on 31 March 2022 is as follows :-

Particulars	Not due	Overdue				Total
		Up to 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises						
(a) Disputed dues						
(b) Undisputed dues	219.67	29.48	-	-	-	249.15
Total	219.67	29.48	-	-	-	249.15
Outstanding dues other than micro and small enterprises						
(a) Disputed dues						
(b) Undisputed dues	12,225.53	771.36	0.19	-	-	12,997.08
Total	12,225.53	771.36	0.19	-	-	12,997.08
Balance as at 31 March, 2022	12,445.20	800.84	0.19	-	-	13,246.23

20 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Employee benefit expense payable	16.49	11.98
Statutory dues payable	480.03	624.54
Total other current liabilities	496.52	636.52

21 Revenue from operations

Particulars	For the year ended	
	31 March 2023	31 March 2022
Sale of services	57,345.19	32,323.03
	57,345.19	32,323.03

22 Other income

Particulars	For the year ended	
	31 March 2023	31 March 2022
Income on investments carried at FVTPL		
Gain on disposal / fair valuation of mutual funds	628.62	327.91
Interest income		
-On security deposits	0.98	0.06
-On certificate of deposits, bonds and fixed deposits	867.39	279.23
Support services to related party (refer note 31)	7.64	8.38
Marked to market gain on forward contracts	-	634.73
Others	42.98	20.71
	1,547.61	1,271.02
	875.03	672

23 Employee benefits expense

Particulars	For the year ended	
	31 March 2023	31 March 2022
Salaries, wages and bonus	5,906.26	2,976.62
Contribution to provident and other funds (refer note 28)	96.53	49.67
Gratuity expense (refer note 28)	46.94	12.99
Employee stock option expense (refer note 33)	1,058.02	1,969.77
Staff welfare expenses	155.60	83.70
	7,263.35	5,092.75

24 Finance costs

Particulars	For the year ended	
	31 March 2023	31 March 2022
Interest on lease liabilities (refer note 34)	13.38	0.22
	13.38	0.22

25 Depreciation and amortisation expense*

Particulars	For the year ended	
	31 March 2023	31 March 2022
Depreciation on property, plant and equipment	135.70	63.60
Depreciation on ROU assets	110.22	1.36
Amortisation of intangible assets	52.53	24.61
	298.45	89.57

* Refer notes 4, 5 and 7.

26 Other expenses

Particulars	For the year ended	
	31 March 2023	31 March 2022
Logistics and fulfilment expense	48,167.87	28,294.64
Advertising and sales promotion	9,278.00	25,793.86
Communication expenses	7,148.38	4,658.40
Contracted manpower	905.54	1,005.67
Payment gateway charges	120.32	71.50
Rent (refer note 34)	13.13	29.34
Software and technology expenses	762.25	312.26
Legal and professional fees	462.59	207.49
Recruitment expenses	81.28	256.57
Provision for doubtful advances	239.60	57.47
Provision for other receivables	11.21	6.00
Payment to auditors (refer details below)	6.81	3.90
Advances to suppliers written off	-	85.33
Bad debts	8.68	-
Miscellaneous expenses	862.09	107.49
	68,067.75	60,889.92

(a) Details of payment to auditors*

	For the year ended	
	31 March 2023	31 March 2022
Statutory audit fees	6.81	3.90
	6.81	3.90

*Excluding goods and services tax.

27 Financial instruments

A Financial instruments by category

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at 31 March 2023:

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
i. Investments	16,906.68	3,626.23	-	20,532.91	20,532.91
ii. Trade receivables	3.96	-	-	3.96	3.96
iii. Cash and cash equivalents	952.24	-	-	952.24	952.24
iv. Bank balances other than (iii) above	6,310.20	-	-	6,310.20	6,310.20
v. Loans	50.13	-	-	50.13	50.13
vi. Other financial assets	1,724.17	-	-	1,724.17	1,724.17
Total assets	25,947.38	3,626.23	-	29,573.61	29,573.61
Financial liabilities					
i. Lease liabilities	116.80	-	-	116.80	116.80
ii. Trade payables	8,400.21	-	-	8,400.21	8,400.21
iii. Other financial liabilities	4,418.01	-	-	4,418.01	4,418.01
Total liabilities	12,935.02	-	-	12,935.02	12,935.02

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at 31 March 2022:

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
i. Investments	5,800.56	6,177.19	-	11,977.75	11,977.75
ii. Trade receivables	-	-	-	-	-
iii. Cash and cash equivalents	4,236.78	-	-	4,236.78	4,236.78
iv. Bank balances other than (iii) above	947.20	-	-	947.20	947.20
v. Loans	29.06	-	-	29.06	29.06
vi. Other financial assets	5,082.19	-	-	5,082.19	5,082.19
Total assets	16,095.79	6,177.19	-	22,272.98	22,272.98
Financial liabilities					
i. Lease liabilities	32.98	-	-	32.98	32.98
ii. Trade payables	13,246.23	-	-	13,246.23	13,246.23
iii. Other financial liabilities	7,331.27	-	-	7,331.27	7,331.27
Total liabilities	20,610.48	-	-	20,610.48	20,610.48

B Fair value hierarchy

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on 31 March, 2023 :

Particulars	As at 31 March 2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments in mutual funds	3,626.23	3,626.23	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value as on 31 March, 2022 :

Particulars	As at 31 March 2022	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments in mutual funds	6,177.19	6,177.19	-	-

27 Financial instruments (continued)

C Measurement of fair values

Specific valuation technique used to value financial instruments like:

- i. Use of quoted market prices for financial instruments traded in active markets.
- ii. For other financial instruments - discounted cash flow analysis.

D Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk;
- Market risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Company monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ii. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss.

The trade receivables ageing schedule as on 31 March 2023 is as follows :-

Particulars	Not due	Overdue				Total
		Up to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed						
(a) Considered good	-	3.96	-	-	-	3.96
(b) Credit impaired	-	-	-	-	-	-
Disputed						
(a) Considered good	-	-	-	-	-	-
(b) Credit impaired	-	-	-	-	-	-
Total	-	3.96	-	-	-	3.96
Less : Allowance for credit impaired balances	-	-	-	-	-	-
Total	-	3.96	-	-	-	3.96

The Company's trade receivables as on 31 March 2022 (*restated) is Nil.

**The comparative information is restated on account of restatement. See Note 40.*

Expected credit loss assessment for the Company as at 31 March 2023 and 31 March 2022:

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company monitors and limits its exposure to credit risk on a continuous basis. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of trade receivables. The Company has an outstanding receivable of INR 3.96 million as at 31 March 2023 (31 March 2022: Nil). Further, the Company reviews the receivables on a transaction by transaction basis and creates provision wherever there is any difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

Geographic concentration of credit risk

The maximum exposure to credit risk for trade receivables is by single geographic region i.e., India.

27 Financial instruments – Fair values and risk management (continued)

D Financial risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal sources of liquidity are cash and cash equivalents, investments and the cash flow that is generated from operations.

The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

Contractual cash flows			
31 March 2023	Less than 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities			
Trade payables	8,400.21	-	-
Lease liabilities	121.79	-	-
Other financial liabilities	4,418.01	-	-
	12,940.01	-	-
Contractual cash flows			
31 March 2022	Less than 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities			
Trade payables	13,246.23	-	-
Lease liabilities	17.59	18.13	-
Other financial liabilities	7,331.27	-	-
	20,595.09	18.13	-

iv. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency risk. Financial instruments affected by market risk includes trade receivable/payable, other financial assets and liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company adopts a policy of fixed interest rate and thereby limiting its interest rate risk exposure.

27 Financial instruments – Fair values and risk management (continued)**D Financial risk management (continued)****iv. Market risk (continued)****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 foreign currency risk at the end of the reporting period expressed in INR are as follows. The foreign exchange loss is recognised in the Statement of Profit and Loss.

The Company has not taken any instruments to hedge the foreign currency exposure. The details of financial assets and financial liabilities denominated in foreign currency as at 31 March 2023 and 31 March 2022 that are not hedged by a derivative instrument or otherwise are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
	Amount in INR Millions	
Financial assets		
USD	14.37	1.34
RMB	-	-
IDR	-	-
Total	14.37	1.34
Financial liabilities		
USD	208.89	169.69
Total	208.89	169.69
Net balance sheet exposure	(194.52)	(168.36)

For the year ended 31 March 2023, 5% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in increase/decrease in the Company's net loss before tax by INR 9.73 million (31 March 2022 : INR 8.42 million).

(Note: The impact is indicated on the loss before tax basis. This analysis assumes that all other variables, in particular interest rates, remain constant).

v. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital and its objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company is predominantly equity financed and the Company has always been a net cash company with investments, cash and bank balances along with current financial assets which is represented by trade receivables and unbilled revenues.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For the purpose of Company's capital management, adjusted net debt is defined as aggregate of total liabilities less cash and cash equivalents, deposits and total equity includes issued capital and all other equity reserves.

The Company's adjusted net debt equity ratio were as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Total liabilities	13,760.07	21,432.44
Less: Cash and bank balances	(1,512.44)	(5,183.98)
Adjusted net debt	12,247.63	16,248.46
Total equity	21,773.12	4,726.61
Net debt to equity ratio	0.56	3.44

28 Employee benefit obligations

(a) Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund, which is a defined contribution plan. The Company has no obligation other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident fund for the year aggregated to INR 96.53 million (2022: INR 49.67 million).

(b) Defined benefit plan

Gratuity

The Gratuity plan is a defined benefit plan under which every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining and eligibility terms. Gratuity is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. The gratuity plan is unfunded.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2023	31 March 2022
Opening balance	65.08	20.85
Current service cost	44.59	11.97
Interest expense	3.42	1.02
Total amount to be recognised in profit or loss	48.01	12.99
Capitalised towards Business application development cost	(1.07)	-
Net amount recognised in profit or loss	46.94	12.99
Acquisitions cost / (credit)	-	1.51
Remeasurements		
Actuarial (gain) / losses due to demographic assumption changes	10.11	-
Actuarial (gain) / losses due to financial assumption changes	(22.71)	1.29
Actuarial (gain) / losses due to experience adjustments	23.02	28.46
Total amount recognised in remeasurement of defined employee benefit plans	10.42	29.75
Benefits paid directly by the Company	(3.38)	(0.03)
Obligation at the end of the year	120.13	65.08

Reconciliation of the present value of the obligation and fair value of plan assets:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation	120.13	65.08
Fair value of plan assets	-	-
Liability recognised in the balance sheet	120.13	65.08
Disclosed as:		
-Current	5.20	2.88
-Non Current	114.93	62.20

Significant actuarial assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.00%	5.40%
Salary escalation	10%	18%
Retirement Age	60 years	60 years
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Attrition rate	28%	30%

Sensitivity analysis

Particulars	Increase/(Decrease) in DBO liability	
	As at 31 March 2023	As at 31 March 2022
Discount rate +100 basis points	(9.09)	(3.25)
Discount rate -100 basis points	10.06	3.52
Salary growth rate +100 basis points	8.46	2.86
Salary growth rate -100 basis points	(8.06)	(2.76)
Withdrawal rate +100 basis points	(4.84)	(2.42)
Withdrawal rate -100 basis points	5.03	2.53

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The expected maturity profile of undiscounted gratuity obligations:

Particulars	As at 31 March 2023	As at 31 March 2022
Within 1 year	4.13	60.63
2-5 year	179.63	138.02
5-10 years	412.69	71.38

Fashnear Technologies Private Limited**Notes to the financial statements for the year ended 31 March 2023***(All amounts are in INR millions unless otherwise stated)***29 Contingent liabilities and commitments** (to the extent not provided for)**(a) Contingent liabilities**

Claims against the Company not acknowledged as debts:

i) Amounting to INR 142.91 million pursuant to Order-in-Original dated December 21, 2022 issued by the Additional Commissioner, Thane in relation to applicability of TCS on the value of supplies made by reseller. The Company has filed an appeal against the same before the Commissioner (Appeals) on 20.03.2023.

ii) Amounting to INR 72 million, towards dispute with erstwhile landowner, which is being contended by the Company.

(b) Commitments

There are no commitments towards capital contracts as at 31 March 2023.

30 Loss per share (EPS)

Basic EPS amounts are calculated by dividing the loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares and settlement of equity settled stock options.

The following table sets forth the computation of basic and diluted loss per share:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss for the year as per the Statement of Profit and Loss	(16,750.13)	(32,478.41)
Shares		
Number of equity shares at the beginning of the year (Nos.)	62,480,247	38,981,027
Add: Weighted average number of equity shares issued during the year (Nos.)	11,837,653	14,572,692
Number of weighted average shares considered for calculation of basic/ diluted loss per share (Nos.)	74,317,900	53,553,719
Basic and diluted loss per share	(225.38)	(606.46)

Basic and diluted loss per share for the year ended 31 March, 2023 and 31 March, 2022 is same since there are no potential equity shares.

Fashnear Technologies Private Limited**Notes to the financial statements for the year ended 31 March 2023***(All amounts are in INR millions unless otherwise stated)***31 Related party disclosures**

The following are details of the transactions during the year with the related parties of the Company:

A Names of related parties and description of relationship

(i) Related parties where control exists

-Holding Company	Meesho Inc., US
-Fellow Subsidiary companies	Meesho Payments Private Limited, India PT Fashnear Technology Indonesia, Indonesia Fashnear Shenzhen Trading Co. Ltd, China Popshop Commerce Private Limited, India
-Settlor of Trust	Meesho Foundation

(ii) Key management personnel

-Directors	Mr. Vedit Aatrey Mr. Sanjeev Kumar
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B. Related party transactions:

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
1) Meesho Inc.	-Issue of equity shares (Includes securities premium on issue of equity shares amounting to 35,009.39 million, 2022: 31,454.63 million, 2021: Nil)	35,025.26	31,478.13
	-Share application money pending allotment	(2,273.70)	2,273.70
	-Options exercise price charged to the Company	-	0.38
	-Support Services	7.64	
	-Reimbursement of Expenses	6.38	
2) Mr. Vedit Aatrey	-Remuneration**	19.73	22.85
3) Mr. Sanjeev Kumar	-Remuneration**	27.68	22.97
4) Meesho Payments Private Limited	Payment made on behalf of related party	*	-
5) Popshop Commerce Private Limited	Support services	-	8.38
	Transfer of liabilities related to Employee benefits # (Gratuity, Leave Encashment & ESOPs)	-	12.55

It includes ESOP liability transferred of INR 8.55 million relating to employees transferred to the Company in the previous year.

** Managerial remuneration paid to key management personnel does not include cost of retirement benefits such as gratuity since provision for these are based on an actuarial valuation carried out for the Company as a whole. Share-based compensation expense allocable to key management personnel during the current year is INR 499.61 millions; (2022: INR 1,023.19 millions), which is not included in the remuneration disclosed above.

C. Related party balances as at the balance sheet date:

Particulars		As at 31 March 2023	As at 31 March 2022
1) Meesho Inc.	Receivable from related parties	14.37	0.35
2) Meesho Payments Private Limited	Receivable from related parties	*	-

* The amount is less than the rounding off norms adopted by the Company.

32 Dues to Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued on Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 and 31 March 2022 has been made in the financial statements based on information received and available with the Company. Further, in the management's view, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('the Act') is not expected to be material.

The Company has not received any claim for interest from any supplier in this regard.

Particulars	As at	As at
	31 March 2023	31 March 2022
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the		
Principal	36.00	249.15
Interest	-	-
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of the payment made by the supplier beyond the appointed date during the	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest, specified under the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under section 23 of the Micro, Small und Medium Enterprise Development Act, 2006.	-	-

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

Fashnear Technologies Private Limited**Notes to the financial statements for the year ended 31 March 2023***(All amounts are in INR millions unless otherwise stated)***33 Employees and consultants stock option expense**

Certain employees of the Company and consultants are entitled to stock options under the Meesho Inc. 2016 Stock Incentive Plan which was approved by the Board of Directors in February 2018, subject to compliance with vesting conditions mentioned therein. In accordance with Ind AS 102 - Share based payments, the necessary disclosures have been made for the year ended 31 March 2023 and 31 March 2022.

Share-based payment expense

Particulars	For the year ended	
	31 March 2023	31 March 2022
2016 plan		
- employees	1,058.02	1,969.77

Reconciliation of outstanding shares options for the year ended 31 March 2023 are as follows:

Particulars	Number of options
Options outstanding at the beginning of the year	5,545,299
Granted during the year	1,279,631
Forfeited during the year	(422,925)
Transferred during the year	(8,868)
Exercised during the year	-
Options outstanding at the end of the year	6,393,137
Exercisable as at 31 March 2023	3,838,705

Reconciliation of outstanding shares options for the year ended 31 March 2022 are as follows:

Particulars	Number of options
Options outstanding at the beginning of the year	2,049,964
Granted during the year	3,580,470
Forfeited during the year	(149,212)
Transferred during the year	100,447
Exercised during the year	(36,370)
Options outstanding at the end of the year	5,545,299
Exercisable as at 31 March 2022	2,890,537

The options outstanding have an exercise price and a weighted average contractual life as given below:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Number of outstanding shares options	6,393,137	5,545,299
Weighted average remaining contractual life	1.08	1.33
Weighted average exercise price	10.92	10.88

For the year ended 31 March 2023, the grant date fair value of common stock was measured using the income (Discounted cash flow method) and market approach (comparable companies method), and OPM allocation method. Under this method, the fair value of the common stock has been computed by applying waterfall distribution to the DCF and comparable companies method backed business valuation, assuming a weighted exited duration of weighted avg 3.4 years. Thereafter, the ESOPs valuation was carried out using Monte Carlo Simulation (MCS) and Black Scholes models.

Particulars	For the year ended 31 March 2023
Fair value at grant date	1,639.24
Exercise price	10.92
Expected volatility	51.08%
Expected term	3.4 Years
Expected dividends	Nil
Risk free interest rate (based on 5 year US Government bonds)	4.04%

For the year ended 31 March 2022, the grant date fair value was measured using the OPM Back solve method. Under this method, the fair value of the options has been computed by applying waterfall distribution to the subscription price of the Series F Preference shares recently allotted by Meesho Inc., assuming a weighted exited duration of 4.5 years. The inputs used are as follows:

Particulars	For the year ended 31 March 2022
Fair value at grant date	1,509.06
Exercise price	10.88
Expected volatility	52.87%
Expected term	4.5 years
Expected dividends	Nil
Risk free interest rate (based on 5 year US Government bonds)	0.97%

34 Leases

Lease contracts entered by the Company pertains to buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

The Company has discounted lease payments using the applicable incremental borrowing rate of 8% (previous year: 8%) for measuring the lease liability.

The Company has elected not to apply the requirements of Ind AS 116 (Para C8) to leases for which the lease term ends within 12 months of the date of initial application. In this case, the entity shall:

- account for those leases in the same way as short-term leases; and
- include the cost associated with those leases within the disclosure of short-term lease expense in the annual reporting period that includes the date of initial application.

The break-up of current and non-current lease liabilities is as follows :

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current	-	17.39
Current	116.80	15.59
	116.80	32.98

The following is the movement of lease liabilities:

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	32.98	-
Additions	185.83	33.89
Finance cost accrued during the year	13.38	0.22
Payments of lease liabilities	(115.38)	(1.13)
Balance at the end of the year	116.80	32.98

Amount recognised in profit or loss

Particulars	31 March 2023	31 March 2022
Interest on lease liabilities	13.38	0.22
Expenses relating to short-term leases	13.13	29.34
	26.51	29.56

Payments towards leases with less than twelve months of lease term, are disclosed under operating activities in the statement of cash flows. All other lease payments made during the year are disclosed under financing activities in the statement of cash flows.

35 Deferred tax

Particulars	As at 31 March 2023	As at 31 March 2022
Temporary differences attributable to:		
Deferred tax liabilities		
Property plant and equipment and other intangible assets	-	3.39
Right of use asset	34.37	8.82
Section - 40(a)(ia) disallowances	-	-
Others	-	-
Total deferred tax liabilities	34.37	12.21
Deferred tax assets		
Property, plant & equipment	6.64	-
Loans	107.89	27.61
Other financial assets	13.08	2.81
Trade receivables	-	-
Lease liabilities	36.44	8.57
Trade payables	-	-
Section - 40(a)(ia) disallowances	-	0.20
Provision for gratuity	37.14	16.92
Provision for compensated absences	64.17	31.29
Provision for bonus	14.39	3.29
Deferred tax on losses	17,068.12	10,239.56
Others	164.05	39.19
Total deferred tax assets	17,347.88	10,330.25
Net deferred tax assets	17,313.51	10,318.04

The tax rate used for the above computation is the statutory income tax rate of 31.20% (previous year 26.00%) as applicable to the Company as per the Income tax laws.

The Company has exposure to income taxes in Indian jurisdiction. Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Based upon the likely timing and level of future taxable profits together with future tax planning strategies, considering the cumulative tax positions and considering the loss for the year, the Company has not recognized deferred tax assets.

Fashnear Technologies Private Limited
Notes to the financial statements for the year ended 31 March 2023
(All amounts are in INR millions unless otherwise stated)

36 Ratios

The ratios for the years ended 31 March 2023 and 31 March 2022 are as follows:

Particulars	Measured In	Numerator	Denominator	As at 31 March		Variance (in %)	Reason for change
				2023	2022		
Current ratio	times	Current assets	Current liabilities	1.87	1.20	56%	Due to improved working capital position on account of lower expenses during the year.
Debt - equity ratio	times	Total debt (represents lease liabilities)	Shareholder's equity	0.01	0.01	-	-
Debt service coverage ratio	times	Earnings available for debt service (Net profit after taxes + Non-cash operating expenses + Other adjustments like loss on sale of fixed assets etc.)	Debt service (Lease payments for the current year)	(130.92)	(26,736.97)	(100%)	Due to decrease in loss and increase in lease payments for the year.
Return on equity ratio	%	Net losses	Average shareholder's equity	(126.4%)	(1037.5%)	(88%)	Due to decrease in loss for the year.
Trade payables turnover ratio	times	Other expenses (does not include MTM loss, provision for other receivables, provision for doubtful advances, advances to suppliers written off and bad debts)	Average trade payables	6.21	7.54	(18%)	-
Net capital turnover ratio	times	Revenue	Working capital	4.86	7.46	(35%)	Due to improvement in working capital during the year.
Net profit ratio	%	Net losses	Revenue	(29.21%)	(100.48%)	(71%)	Due to decrease in loss for the year.
Return on capital employed	%	Net losses before interest	Capital employed	(76.87%)	(683.00%)	(89%)	Due to decrease in loss for the year.
Return on investment - Mutual funds	%	Gain on disposal / fair valuation of mutual funds	Weighted Average Cost of Investment	5.76%	4.93%	17%	-
- Certificate of Deposits, bonds	%	Interest income	Weighted Average Cost of Investment	6.35%	4.72%	35%	Due to movement of interest rates during the year.

Note:

- (a) As the Company does not have any inventory, inventory turnover ratio has not been disclosed.
(b) As the Company did not have any trade receivable in the previous year, hence trade receivable ratio has not been disclosed.

37 Other Statutory Information :

- (a) The Company does not have any Benami property or any proceeding is pending against the Company for holding any Benami property.
(b) The Company do not have any transactions with companies struck off.
(c) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
(d) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
(e) The Company has not advanced, loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) in any entity with the understanding that the Intermediary shall:
(i) directly or indirectly lend or invest in other entities by or on behalf of the Company (ultimate beneficiaries) or
(ii) provide any guarantee or security to or on behalf of the ultimate beneficiaries.
(f) The Company has not received any fund from any persons or entities including foreign entities with an understanding that the Company shall:
(i) lend or invest in other entities or persons identified by or on behalf of the funding Party (ultimate beneficiaries) or
(ii) provide any guarantee or security on behalf of the ultimate beneficiaries.
(g) The Company is not classified as wilful defaulter.
(h) The Company doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.
(i) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
(j) The Company does not have borrowings from banks or financial institutions on the basis of security of current assets.
(k) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
(l) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

38 Segment reporting

The Company's operations predominately relate to "providing an application based marketplace that connects a) suppliers and end consumers or b) supplier and resellers, enabling resellers to sell products to their buyers on facebook, whatsapp, and other social platforms". The Company does not distinguish revenues, costs and expenses between segments in its internal reporting, and reports costs and expenses by nature as a whole. The chief operating decision maker reviews the financial results when making decisions about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one reportable segment. The Company operates and manages its business as a single segment. As the Company's long-lived assets are all located in India and almost all of the Company's revenues are derived from one geographical segment, hence no geographical information is presented. Since the Company has a single business segment and a single geographical segment, disclosures pertaining to the operating segments as per Ind AS 108 - 'Operating Segments' have not been presented.

39 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

40 Restatement

(i) The Company had inadvertently classified amounts due from logistics partners/ payment gateways as "Trade receivables" in the previous years. During the current year, these balances have been reclassified to "Marketplace receivables" under "Other financial assets" as these balances represent amounts collected by logistics partners and payment gateways, from the users of the platform on behalf of the Company.

Accordingly, corresponding figures for year ended 31 March 2022 have been restated and a third balance sheet has been presented as per requirements of applicable standards. Following table summarise the impact on the balance sheet:

1 April 2021 In INR Millions	Impact of restatement		
	Notes	As previously reported	As restated
ASSETS			
Total non-current assets		135.17	135.17
Financial assets			
i. Investments	8	3,573.53	3,573.53
ii. Trade receivables	12	1,539.22	-
iii. Cash and cash equivalents	13	710.03	710.03
iv. Bank balances other than (iii) above	14	7.06	7.06
v. Loans	9	1.51	1.51
vi. Other financial assets	10	796.07	2,335.29
Other current assets	11	628.80	628.80
Total current assets		7,256.22	7,256.22
Total assets		7,391.39	7,391.39

EQUITY AND LIABILITIES

Total equity	1,534.16	-	1,534.16
Total liabilities	5,857.23	-	5,857.23
Total equity and liabilities	7,391.39	-	7,391.39

31 March 2022 In INR Millions	Impact of restatement		
	Notes	As previously reported	As restated
ASSETS			
Total non-current assets		534.31	534.31
Financial assets			
i. Investments	8	11,977.75	11,977.75
ii. Trade receivables	12	4,436.18	-
iii. Cash and cash equivalents	13	4,236.78	4,236.78
iv. Bank balances other than (iii) above	14	947.20	947.20
v. Loans	9	29.06	29.06
vi. Other financial assets	10	625.73	5,061.91
Other current assets	11	3,372.04	3,372.04
Total current assets		25,624.74	25,624.74
Total assets		26,159.05	26,159.05

EQUITY AND LIABILITIES

Total equity	4,726.61	-	4,726.61
Total liabilities	21,432.44	-	21,432.44
Total equity and liabilities	26,159.05	-	26,159.05

This restatement does not have any impact on the prior years' profit or loss, total equity and cash flows from operating, investing and financing activities.

(ii) Also refer note 15(f) for restatement of Promoter shareholding.

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

VIPIN LODHA

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Date: 2023.10.20 18:34:46 +05'30'

Vipin Lodha

Partner

Membership number: 076806

Place: Bengaluru

Date: 20 October 2023

for and on behalf of Board of Directors of

Fashnear Technologies Private Limited

CIN: U74900KA2015PTC082263

VIDIT

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Vidit Aatreay

Director

DIN: 7248661

Place: Bengaluru

Date: 20 October 2023

SANJEEV KUMAR

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Date: 2023.10.20 13:53:01 +05'30'

Sanjeev Kumar

Director

DIN: 7248672

Place: Bengaluru

Date: 20 October 2023