

# meesho

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Annual  
Report | 2023  
2024



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# FashNear Technologies Private Limited

## Corporate Information

### BOARD OF DIRECTORS

#### **Mr. Vedit Aatrey**

Whole -Time Director

#### **Mr. Sanjeev Kumar Barnwal**

Whole -Time Director

### CHIEF FINANCIAL OFFICER

#### **Mr. Dhiresh Bansal**

### COMPANY SECRETARY

#### **Mr. Rahul Bhardwaj**

### STATUTORY AUDITOR

#### **S. R. Batliboi & Associates LLP**

12th Floor "UB City" Canberra Block, No. 24,  
Vittal Mallya Road, Bengaluru – 560 001, India

### REGISTRAR AND SHARE TRANSFER AGENT

#### **KFin Technologies Limited**

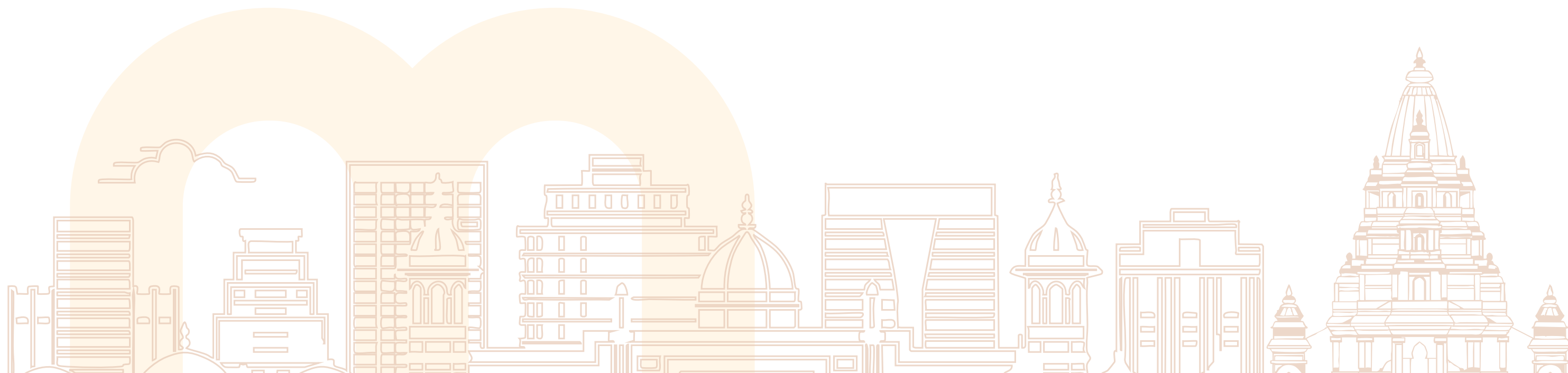
Selenium Building, Tower – B, Plot No. 31-32, Financial District,  
Nanakramguda, Serilingampally, Hyderabad, Rangareddi,  
Telangana – 500032, India.

### REGISTERED OFFICE:

3rd Floor, Wing-E, Helios Business Park,  
Kadubeesanahalli Village, Varthur Hobli,  
Outer Ring Road, Bengaluru,  
Karnataka- 560103

### WEBSITE:

<https://www.meesho.com>



# Letter From The CEO



In 2015, Sanjeev and I rode an entrepreneurial wave. We envisioned a business that would bring e-commerce to millions of Indian businesses—unlocking opportunities for consumers, businesses, and partners alike. Our goal was simple: empower a billion consumers and millions of businesses to thrive online. Our mission encompasses this goal holistically

## “Democratise Internet Commerce for Everyone”

As we celebrate Meesho’s 10th anniversary, we’ve reached several key milestones: the largest order and user base on a single e-commerce platform, India’s most downloaded shopping app for four consecutive years, and the first cash flow positive, horizontal e-commerce company in the country. But the best is yet to come. Our highly scaled, technology and AI driven e-commerce platform connects our four stakeholders, viz. consumers, sellers, logistics partners and content creators.

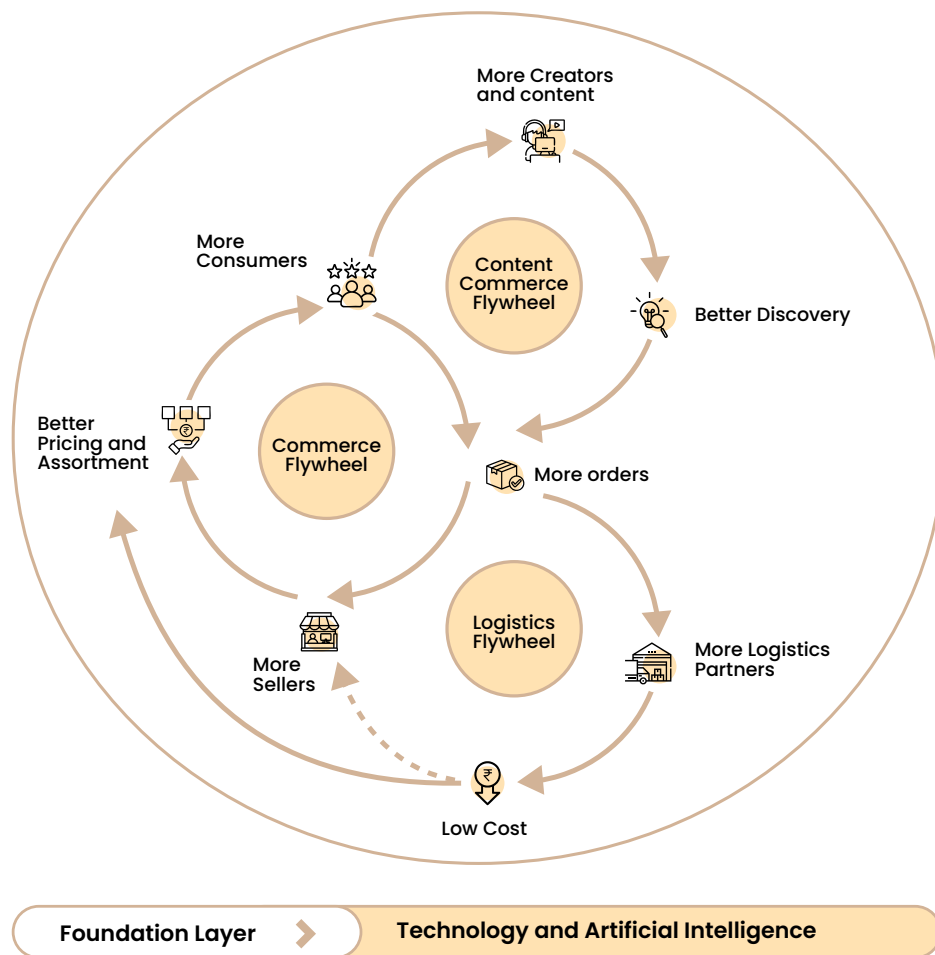
Our goal was simple:  
empower a billion consumers  
and millions of Indian  
businesses to thrive online.

- ◆ Consumers are at the core of our marketplace. We offer consumers a wide assortment of over ~110 million daily active listings at attractive price points, and make their e-commerce experience simple, engaging and hyper-personalized through AI-driven recommendations. As of Dec'24, ~187 million consumers transacted on our platform in the previous twelve months, the highest amongst e-commerce platforms in India.
- ◆ Sellers on our marketplace comprise retailers, manufacturers of retail products, local artisans and craftsmen. We give our sellers access to India’s largest online transacting consumer base at the lowest operating cost for them. Further, through highly targeted advertisements we increase visibility of their products, and through AI driven analytics we give them insights on what to sell. We are an inclusive platform providing all our sellers equal opportunities to sell.
- ◆ We work with ~6,000+ logistics partners through Valmo, our in-house logistics platform, and multiple 3PL express parcel delivery companies. Valmo, our asset light in-house logistics platform, leverages existing unutilized capacity of our logistics partners to fulfil our high order volumes across ~15,000+ pincodes of the country. This enables them to utilize their logistics assets better and have higher earning opportunities by integrating with our platform.
- ◆ We empower content creators to monetize their creativity and influence by enabling sales of our sellers’ products through video commerce and live commerce. This enhances the shopping experience of our consumers and creates a social media like virality on the platform. We have empowered ~17,000 creators through this initiative.

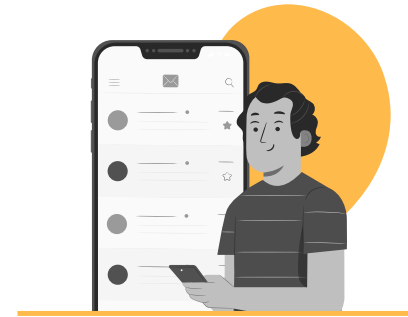




These four ecosystem partners are connected through multiple inter-linked flywheels based on the foundation of technology and AI described in a simplified fashion in the image below.



## Power of natural selection and platforms



*"But Natural Selection, as we shall hereafter see, is a power incessantly ready for action, and is immeasurably superior to man's feeble efforts, as the works of Nature are to those of Art." -- Charles Darwin, The Origin of Species*

*"It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest." -- Adam Smith, The Wealth of Nations*

Two of the most inspiring books that I have read in my lifetime have been "The Origin of Species" by Charles Darwin and "The Wealth of Nations" by Adam Smith. Both were based on revolutionary premises – natural selection and the hand of free markets. There is resonance in the way evolution has occurred in nature, and wealth generation in capitalistic societies. With the right objective functions, survival and replication in the former and capital accumulation in the latter, survival of the fittest principles ensured that the system continued to become more efficient and resilient.

Inspired by Darwin's insights on natural selection and Adam Smith's free markets, we built a business that evolves organically. We start with the right supply and clear objectives, and our platforms—seller marketplace, logistics platform Valmo, and Creator marketplace—grow stronger over time.

Number of times, our potential shareholders ask us this question on what will be the moat in our business. Our moat is simple: let our marketplaces evolve with the right incentives. Platforms at scale have very strong competitive advantages. Many of the world's most valuable businesses are platforms for this reason. As we add new platforms, the value for shareholders only increases.

## Focus on Long Term Free Cash Flow instead of accounting PAT / EBITDA



Shareholder value is the discounted sum of all future cashflows of the company. To simplify communication, companies started using metrics such as EBITDA or accounting PAT to be the proxy for the cashflow generation capabilities of a business. Now, while EBITDA or PAT does provide some indicative reference to cashflows, it ignores two of the most important components of free cashflow i.e. capital expenditure and working capital. Shareholders, especially in retail businesses be it offline retail or inventory-based e-commerce, have seen dilution in value from both the components over years.

Having witnessed this, we focus on Long Term Free Cash Flow (FCF) per share as the north-star metric of our business. We believe that it truly and accurately depicts the health of a business, without the added complexity of ignoring different components of shareholder dilution or value creation.

All investments and capital allocation in the company ultimately optimizes for long term FCF generation and we use a framework of Long-Term IRR on FCF to make investment decisions be it in terms of operating expenditure such as marketing expenses or manpower expenses, or capital expenditures such as investments into fixed assets.

We will continue to use this framework for the generation of best possible returns for our shareholders including our employees.

## How do we make decisions?



Our decision making has evolved over time to focus on certain core principles. We use them to prioritize, to resolve deadlocks, and generally be the guiding light for how to do business the right way. Our employees are evaluated and given feedback on these competencies frequently. These are not set in stone, and as we learn, they continue to evolve with us. I am sharing these “Meesho Mantras” here:

- ◆ **Problem First Mindset:** Define the problem before leaping to solutions. We believe in asking 'why' until you get to the core problem before solving it. We challenge the status quo and solve from first principles.

- ◆ **User First:** Obsess over our users, be it consumers, sellers, logistics partners or creators. Users are our greatest source of truth. We even have a 'Listen or Die' programme, a Meesho ritual, to inculcate the habit of listening to users from day one.

- ◆ **Think Long Term:** We take audacious goals and work backward to achieve targets. We build to scale. We take “Big Hairy Audacious Goals” and aim to create long term value for our stakeholders. Our long term thought process is further reflected in our capital allocation philosophy with using Long-Term (typically five years) marginal IRR.

- ◆ **Lightspeed:** Lightspeed personifies the need to move at the fastest level possible. The pursuit of Lightspeed always means that we can keep moving faster than what we think is possible today. This Mantra helps us set aggressive deadlines and always ask the question on how we could achieve 90% of the impact in 50% of the time we had originally set out.

- ◆ **Think 10X, Take Risks:** We empower our employees, at all levels, to be a fountainhead for ideas and their implementation. For them to do so, we provide several tools and opportunities – for instance, any employee in the company could propose a new experiment at small scale, quickly iterate and learn whether it is successful or not.

- ◆ **Hire and Grow Exceptional Talent:** We raise the bar with every hire and promotion. We believe in developing people and enabling them to be the best version of themselves. We hire the best. We embrace giving and receiving feedback.

- ◆ **Company > Team > Individual:** We aim to put the company's interest above the team and team's interest above individuals'. We display teamwork and collaboration.

- ◆ **Growth Mindset:** We put in continuous effort towards organization, team and self-improvement. This Mantra helps us to be imaginative, curious and open-minded to feedback and improvement.

- ◆ **People Centric Workplace:** We respect people and cultivate a culture of empathy and understanding. We spread positivity and celebrate wins.

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**Vidit Aatrey** | Founder & CEO, Meesho

# Key Metrics

FY'24

**~1.3 Bn**  
Orders

▲ **~31%** YoY Growth

**~3.7 Mn**  
Orders/day

**INR 197 Cr**  
Free Cashflow

First horizontal Indian e-commerce company  
to generate positive free cashflow

**INR 1,393 Cr**  
Contribution Profit

▲ **~85%** YoY Growth

April to December 2024

**~1.3 Bn**  
Orders

▲ **~34%**  
YoY Growth

**~4.8 Mn**  
Orders/day

As on December 31, 2024

**~187 Mn**  
Unique Annual Transacting Users

▲ **~26%**  
YoY Growth

\*As the financial metrics for April-December 2024 are unaudited, they are not included in this report.

# What We Are Building

## Our Mission: Democratize Internet Commerce for Everyone

By building a platform that is accessible and affordable, we are empowering businesses of all sizes and serve a diverse customer base, whether a high-income urban shopper or a tier 4 city user. We believe everyone should have access to a wide range of products at the right price to meet their unique needs.

This commitment to inclusivity is at the heart of our mission to democratize internet commerce for everyone. It's about fuelling aspirations and eliminating barriers to opportunity. Whether that's by providing users with a vast selection at everyday low

prices, enabling sellers to maximize earnings by prioritizing ease of doing business, equipping content creators with opportunities to grow their reach and influence or supporting logistics entrepreneurs through Valmo, our user-first approach drives every initiative.

We take pride in what Meesho has become: India's most downloaded e-commerce platform that supports over ~400,000 transacting sellers, connects them with ~187 million unique Annual Transacting Users, enables ~6,000 logistics partners and ~17,000 content creators across the country (data as on Dec'24).





# Our Ecosystem



**1** Redefining Accessibility and Affordability  
For Indian E-Commerce Users



**2** Digitizing Indian  
Businesses



**3** Revolutionizing E-commerce  
Logistics with Valmo



**4** Content Commerce:  
The Future of Shopping

# 1. Redefining Accessibility and Affordability For Indian E-Commerce Users

Being India's most downloaded shopping app reflects the growing trust and loyalty of ~187 million unique Annual Transacting Users (ATUs as on Dec'24), but also highlights our continued commitment to delivering exceptional value and a seamless shopping experience. In addition, our orders and ATUs have continued to record a healthy year-over-year growth at 34% and 26% respectively.

For many, Meesho has also served as their gateway to e-commerce, introducing them to online shopping for the first time. By enabling smaller, more frequent transactions, we've

redefined the experience to align with the shopping behaviors of the majority of Indian users, making it practical, accessible, and affordable for all. What truly sets the platform apart is our tech-first approach, which enhances the overall user experience through advanced real-time personalization.

By leveraging AI models to analyze factors like category preferences, demographics, and time spent on the platform, we deliver a highly personalized shopping experience, giving each user a unique homepage, tailored specifically to their tastes and needs.

Unlike traditional search, where users explicitly state their needs, our AI-powered recommendations proactively suggest relevant products, increasing the likelihood of a purchase. This personalized approach not only helps users find what they were looking for but also uncovers new products that meet their evolving shopping needs, leading to increased time spent on the platform. As a result, Meesho continued to be the most engaged shopping application in India in terms of average time spent per day per user according to Sensor Tower (as on Dec'24).



An 18-year-old university student, who enjoys playing hockey and watching cricket. Like most students, he is always on the lookout for stylish and affordable clothing.

**Yashwanth R** . University Student,  
Bengaluru, Karnataka

*"Meesho has become my go-to platform for affordable and stylish fashion. One of my favorite features is the voice search tool, which lets me find products even while I'm on the move. Whether I'm searching for a t-shirt for college or an ethnic outfit for a family celebration, Meesho always has a great variety of options that fit my budget. The app is super easy to use and the prices help me save a lot, which is a big deal for a student like me. For me, Meesho is the perfect combination of variety and affordability, making shopping hassle-free and enjoyable."*



A homemaker, discovered the ease of online shopping through Meesho. With limited access to local markets, she now finds everything she needs—right from home—with just a few clicks.

**Sanju Sharma** . Homemaker,  
Lucknow, Uttar Pradesh

*"I live in an area where there aren't many shops nearby, so buying good clothes or household items meant traveling far—which wasn't always possible. Since I manage everything at home, shopping was also my responsibility. One day, I saw a Meesho ad on TV and decided to try the app. It completely changed how I shop. There's a huge variety, and I often find things at better prices than local stores. If I see something I like while out with friends or family, I can simply upload a photo on Meesho and find similar options. Even if something doesn't fit, returns and exchanges are easy and happen right at my doorstep. Earlier, shopping meant spending extra time and money. Now, I can find everything I need without leaving home—which really helps as I juggle so many things every day."*

## 2. Digitizing Indian Businesses

Indian manufacturers and businesses have traditionally faced challenges in expanding their reach and embracing the digital economy. High marketplace commissions, competition from platform-owned private labels, and complex e-commerce interfaces have made it difficult for them to thrive. By prioritizing ease of doing business, Meesho eliminated these barriers, enabling over 400,000 annual transacting sellers to succeed online and transforming the way Indian businesses operate in the digital age.

In 2021, Meesho became the first e-commerce platform in India to introduce a 0% commission model, allowing sellers to retain 100% of their profits. This industry-first approach along with our razor sharp focus on driving better operational efficiencies for sellers has empowered them to unlock affordability. As a result, a vast selection of ~110 million daily active product listings (in Dec'24) across categories like Fashion, Home & Kitchen, Beauty & Personal Care, and Kids & Baby Care are available at everyday low prices tailored to our consumer needs.

As more users joined the platform, the increase in orders further enhanced operational efficiencies for sellers through economies of scale. We also consciously avoid introduction of private labels and tiered seller structures, ensuring equal opportunities for businesses of all sizes on the platform.



Mansiha, a garment manufacturer based in Bengaluru, founded SNF Garments five years ago in the aftermath of the COVID-19 lockdown. Since then, she has successfully grown her business in the fashion industry.

**Mansiha Farid**, Founder, SNF Garments  
Bengaluru, Karnataka

*"I started selling on Meesho in September 2020 to support my family during the COVID-19 pandemic. I began with leftover stock from my husband's business, and within a month, I scaled up from 10 orders on my first day to 200-300 orders daily. During the festive season, I hit an incredible milestone of 2,000 orders in a single day. Over time, my business has grown, and I now have an annual turnover of ₹8 crore. As a first-time online seller, I found doing business on Meesho so easy and hassle-free, thanks to its simplified processes. Features like zero commission and no hidden charges helped me keep my prices competitive while ensuring high customer satisfaction."*



**>400,000**  
Annual Transacting Sellers



**~110 Million**  
Daily active product listings



First E-Commerce app to introduce  
**0% Commission Model**



Our tech-led approach simplifies online selling for even first-time digital businesses. Sellers can use intuitive tools like cataloging features, an easy to use supplier dashboard to manage inventory and payments, and advanced content-to-image capabilities that generate product visuals effortlessly. These innovations, combined with our recommendation algorithms, enable sellers' products to reach the right customers, maximizing their sales potential.

At Meesho, we're not just a marketplace—we're a platform that empowers both large manufacturers and small enterprises to fully unlock the potential of online selling. By bridging the gap between the offline and online worlds, we're helping businesses across India grow by paving the way for a more inclusive e-commerce future.



Vatsal is a seasoned entrepreneur with over two decades of cross-market experience across India, Australia, Turkey, and China. His deep expertise in the FMCG space led to the founding of Uniclan Healthcare in 2015, transforming consumer product experiences.

**Vatsal Desai**, Uniclan Healthcare,  
Jaipur, Rajasthan

*"We started our journey in 2019 with a turnover of ₹13 crores, mainly focusing on general trade. Moving into e-commerce came with its challenges, but the growth was incredible. After joining Meesho in 2022, we scaled from fulfilling ₹2 lakh orders a month to ₹2 lakh per day—a transformation that changed our business. Since then, we've grown to ₹200 crores in annual revenue. Meesho's ad panel has played a big role in this, helping us optimize marketing spends and maximize ROI. With Meesho's vast user base in Tier 2+ cities, we're now able to serve more families across India with high-quality baby diapers at the right price."*

## 3. Revolutionizing E-commerce Logistics with Valmo

India's logistics sector has long been fragmented, with regional players serving limited geographies, leading to inefficiencies and underutilized capacity. Recognizing this challenge, we leveraged our e-commerce expertise to launch Valmo, an asset-light, technology-driven logistics platform designed to provide reliable, cost-efficient solutions.

By democratizing e-commerce logistics, Valmo is empowering small and medium-sized logistics entrepreneurs to join the digital economy and integrating them into a decentralized network across first-mile pickups, last-mile deliveries, and sorting centers. Valmo's intelligent system calculates the most efficient routes, optimizing for price, time, and distance to ensure seamless, affordable deliveries.



With over a decade of experience in logistics, Mohan is a Manager at Allcargo Logistics. He currently leads a team of 280 in the Valmo unit at Allcargo BLS, ensuring smooth and efficient operations.

**Mohan Gowda**, Manager, Allcargo Logistics,  
Bengaluru, Karnataka

*"Since partnering with Valmo, I've seen significant improvements in our operations. With a team of around 280 managing middle-mile operations, Valmo's well-organized processes have helped us optimize workflows and boost efficiency. One of the highlights for me was the 12-day comprehensive training Valmo provided, which made sure my team was fully prepared to adopt the new systems. The ongoing support we've received post-training has been invaluable in reinforcing the transition. Valmo's reliable technology, even during peak seasons, has made managing logistics much smoother, allowing Allcargo Logistics to scale efficiently and sustain our success."*



In just one year since its launch, Valmo has not only enhanced efficiency but also fostered local entrepreneurship, created thousands of jobs, and supported sustainable growth within the logistics sector. Serving ~15,000 pincodes through ~6,000 logistics partners and handling >50% of Meesho's daily orders, Valmo is revolutionizing India's e-commerce logistics ecosystem. By leveraging advanced technology and promoting inclusivity, we are building a seamless, efficient, and affordable network that empowers local entrepreneurs and has already created ~85,000 jobs to date. (data as on Dec'24).



**~15,000**  
Pincodes



**~6,000**  
Logistics Partners



**~85,000**  
Jobs created

## 4. Content Commerce: The Future of Shopping

In the dynamic world of e-commerce, content commerce has emerged as a powerful channel, enabling creators to seamlessly blend storytelling with shopping. It has gained remarkable traction across India, with major cities like Delhi, Bengaluru, Hyderabad, and Patna leading the charge. Even in remote regions such as Bazpur in Uttarakhand, Kotputli in Rajasthan, and Pakyong in Sikkim, Meesho is successfully engaging both creators and consumers, showcasing the platform's far-reaching impact.



Starting as a delivery associate in 2009, Mazid now owns a last-mile hub with Valmo, leading a team of 25 in East Delhi. With unwavering dedication, he has emerged as a top performer—showing that ability is defined by effort, not limitations.

**Mazid Ali**, Last-mile Hub Owner,  
New Delhi

*"My professional journey began in 2009 as a delivery associate, navigating the streets on a cycle to deliver packages. Fast forward to February 2023, I took a big step by setting up my own last-mile hub with Valmo. Despite facing unique challenges as a differently-abled individual, I've worked hard to become a standout performer, consistently earning recognition for my dedication and commitment. Now based in East Delhi, I manage a team of 25 riders, ensuring everything runs smoothly."*



Hailing from Rath, a small town in Hamirpur, Raksha's journey in content creation began when she got her first phone and internet connection. Today, she has built a strong digital presence with 8.68 million YouTube subscribers and 1 million Instagram followers.

**Raksha Gupta**, Content Creator  
Rath, Uttar Pradesh

*"I've been sharing my passion for cooking with over 8.68 million YouTube subscribers through my page Raksha Ki Rasoi for the past five years. Despite having such a large following, I faced challenges in turning viewership into product sales. While other platforms typically generated just 10-20 orders per video, partnering with Meesho led to 600 orders from a single video. This remarkable sales growth has reinforced my belief in the power of authentic content and boosted my confidence to explore new opportunities, further expanding my influence."*



One of our newest initiatives, Content Commerce, has evolved into a dynamic three-way marketplace by seamlessly connecting creators, sellers, and consumers. By unlocking economic opportunities for creators across followership count, the platform empowers both emerging and established influencers to thrive. At the same time, it boosts product discoverability for consumers and drives business growth for sellers.



**~17,000**  
creators empowered

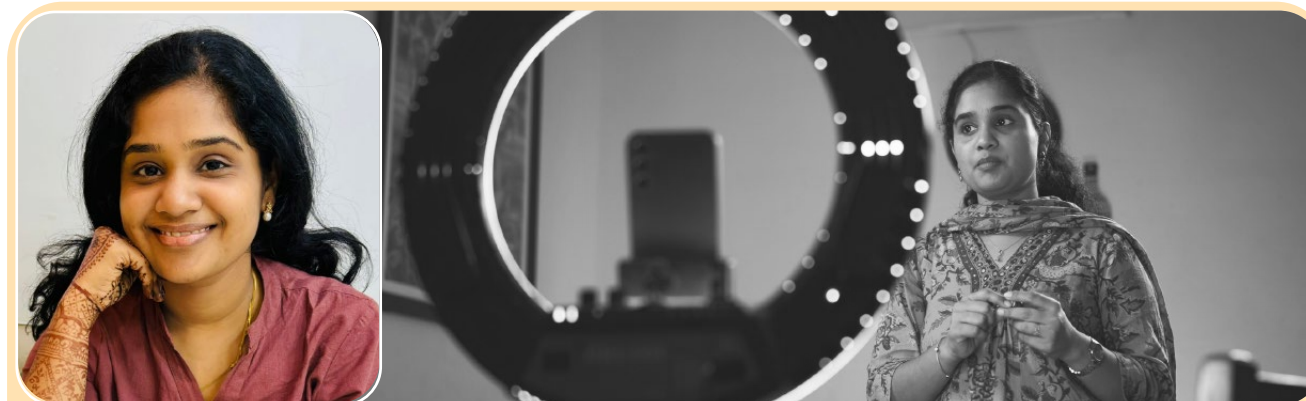


**~107%**  
growth in orders through content commerce

As a result, we've built a thriving content commerce ecosystem, empowering approximately ~17,000 national and regional creators (as of Dec'24) to connect meaningfully with their audiences. The impact is undeniable—since launch, we have seen a remarkable ~107% growth in orders through content commerce (Jun - Dec'24), establishing Meesho as one of the largest players in the space.

To further enhance the experience, we adopted an creator-first approach and launched the Creator Club in 2024. This platform is designed to simplify their journey by providing actionable insights into followers' shopping habits, helping creators craft highly relevant affiliate content. It also addresses key challenges like trust, transparency, and efficiency by promoting direct collaboration and removing intermediaries. With features like faster payouts and streamlined support, Creator Club is designed to help influencers of all sizes thrive.

By tapping into the potential of creator-driven commerce, Meesho is building an ecosystem where creators and e-commerce evolve together, making online shopping more engaging, accessible, and impactful for millions of users.



An IT professional from Chennai, Ramyaa started creating content out of curiosity. What began as an experiment soon turned into a passion, leading to a successful journey in digital content creation.

**Ramyaa Gopi**, IT Professional & Content Creator  
Chennai

*"My journey as a content creator started with my passion for showcasing innovative and practical products that make everyday life easier. My first video review of a magic eraser went viral, with over 1.2 million views, and that really helped establish me as a trusted voice in this space. With my authentic and relatable style, I've built a strong connection with my audience by reviewing household essentials that genuinely make a difference. Meesho Creator Club has been a game-changer for me, offering tools that simplify content creation and monetization. I credit the program's user-friendly features and supportive ecosystem for empowering me to stay authentic while continuing to grow as a creator."*

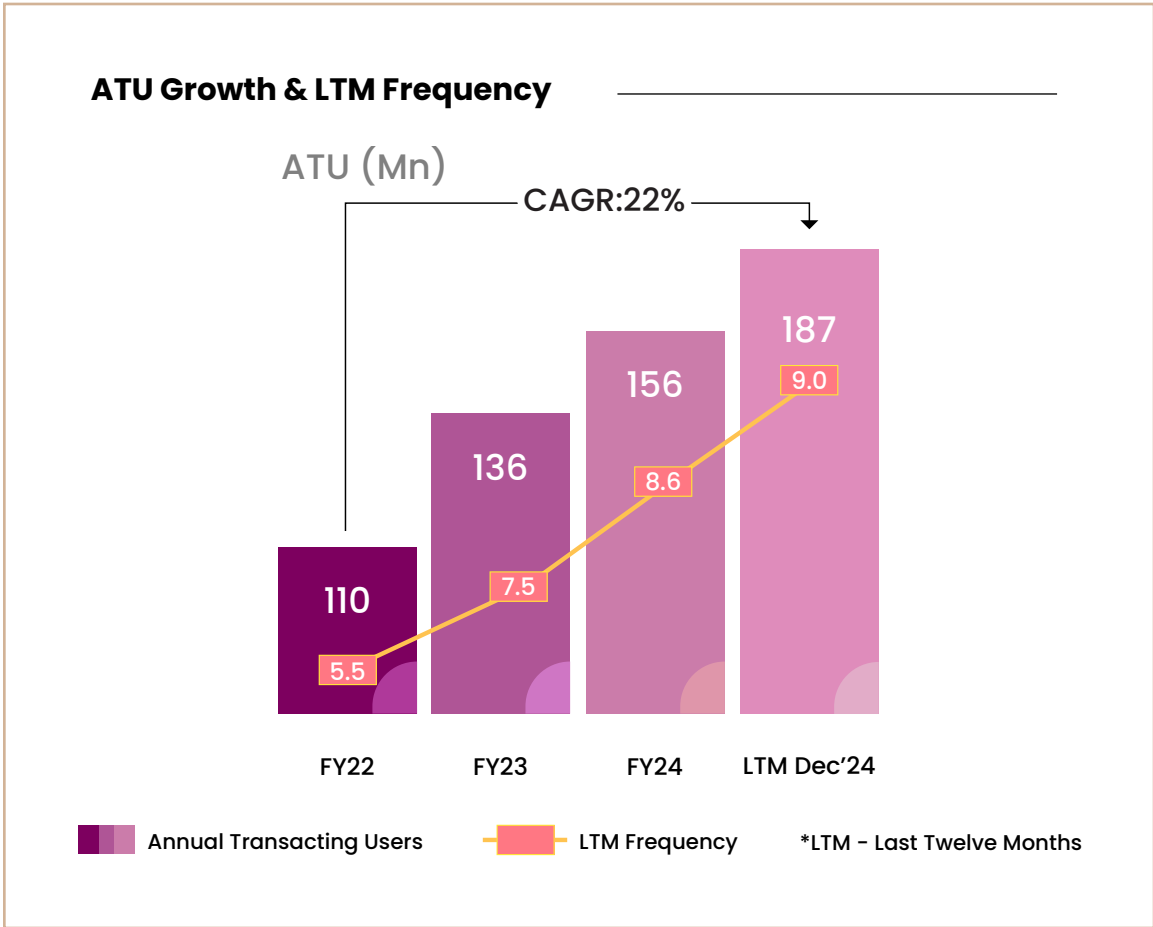


# Driving Sustainable Growth With A Focus On Profitability

## Operating Performance

Meesho solidified its position as India’s leading e-commerce platform by achieving remarkable milestones. With ~187 million unique Annual Transacting Users (ATUs), approximately 13% of India has made a purchase through our platform. Total orders placed grew to ~1.3 billion as of Dec’24, reflecting the increasing frequency and diversity of purchases, with more people turning to Meesho for a wide range of their daily needs. This trend has driven impressive growth across categories like Home & Kitchen, Beauty & Personal Care, and Baby Essentials.

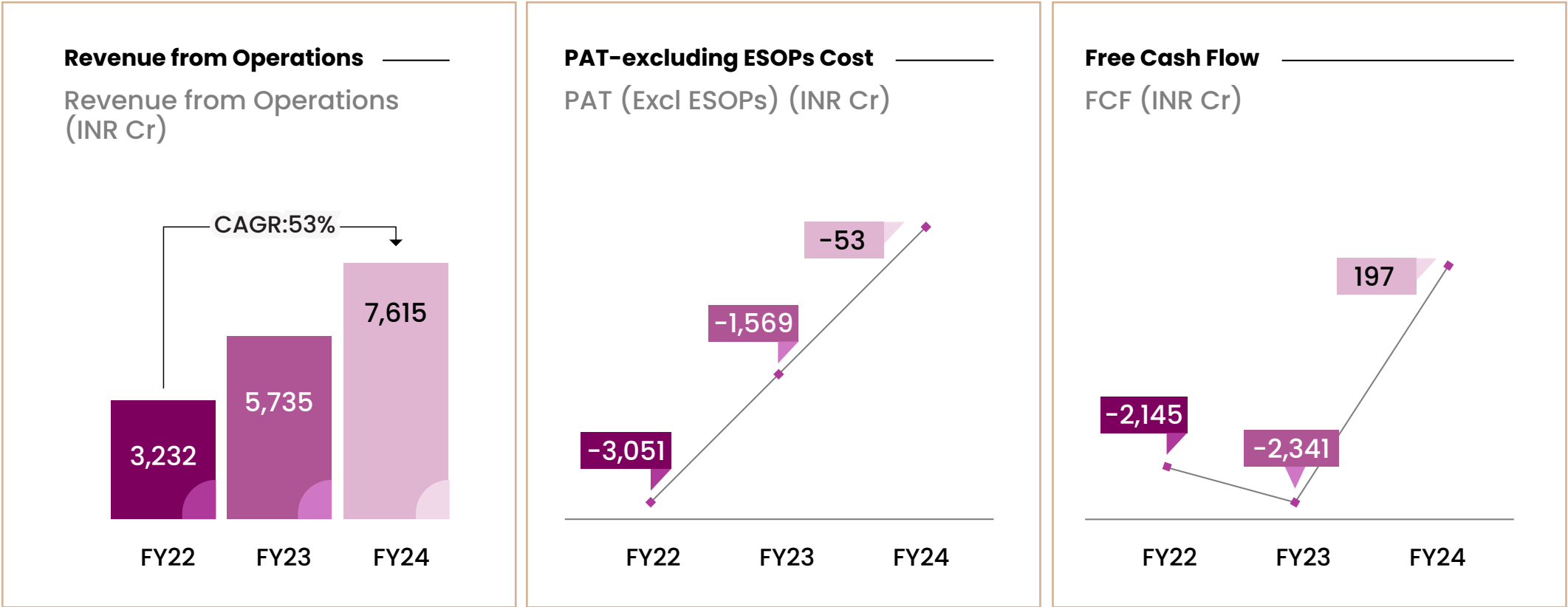
As a result, Meesho continued to be India’s most downloaded shopping app for four consecutive years, underscoring the platform’s growing appeal and reach. The steady increase in order frequency, coupled with the growing number of first time online shoppers, highlights our ability in reaching India’s underserved markets. This not just demonstrates our success in democratizing internet commerce for everyone, but also in bringing more users into India’s digital economy.



# Financial Performance

We became the first horizontal Indian e-commerce company to achieve profitability in FY24 and the first to generate positive free cash flow of INR 197 crores for the full year. Our Revenue from Operations grew by 33% to INR 7,615 crores driven by an increase in our unique Annual Transacting Users as well as higher order frequency of our existing loyal customers.

This success stems from driving efficiencies across multiple areas like logistics, as well as leveraging Generative AI and Machine Learning for better discovery, improved in-app experience and round-the-clock customer support. Our Selling, General, and Administrative (SG&A) expenses as a percentage of Revenue from Operations declined sharply, driven by strong consumer awareness and organic traction, alongside the significant operating leverage that comes with a marketplace e-commerce model. Consequently, our adjusted losses have narrowed by 97% from INR 1,569 crores to just INR 53 crores, excluding Employee Share Based Compensation expense.



\*As the financial metrics for April-December 2024 are unaudited, they are not included in this report.

# Key drivers of growth

## Unlocking e-commerce for Indian consumers

The shift in consumer behavior is noteworthy on Meesho. They are not just buying multiple items within the same category, but are also turning to the platform for a diverse range of their daily needs. As a result, Home & Kitchen, Beauty & Personal Care, and Kids & Baby Care emerged as the fastest-growing categories. Moreover, the order frequency per user continues to grow at a healthy pace, highlighting our consumers' loyalty and their willingness to choose Meesho for all their shopping needs.



### Home & Kitchen, Beauty & Personal Care, and Kids & Baby Care

Fastest-growing categories

## Catering to diverse user needs

Meesho's category mix has significantly diversified, closely reflecting the evolving consumption trends across India. Fashion apparel, fashion non-apparel, home & kitchen, kids & baby care, and beauty & personal care now collectively account for over 90% of our sales, highlighting our focus on meeting a wide range of consumer needs. Our platform currently features over 110 million daily active listings offering an extensive product selection that ensures consumers transitioning from offline to online shopping continue to find the variety, accessibility, and value they are accustomed to in the offline world.



**~110 Million**  
Daily active listings

## Enhancing Product Discovery with AI-Powered Personalization Models

We have significantly enhanced the user experience through advanced AI-powered personalization tools that analyze factors such as category preferences, demographics, and time spent on our platform. This enables us to deliver a tailored shopping experience, presenting each user with a unique homepage and highly relevant product recommendations, which go beyond their initial search to uncover new items that meet their broader needs. As a result, users spend more time on the platform, leading to higher engagement, with Meesho continuing to be the most engaged shopping app in India in terms of average time spent per user, according to Sensor Tower. (data as on Dec'24)



**Most engaged shopping app in India**

# Key drivers of growth

## ▶ Driving Operational Efficiencies

By optimizing our logistics processes, we have significantly reduced shipping expenses and improved delivery efficiency, allowing us to pass savings on to our users. The launch of Valmo has further expanded the logistics ecosystem by empowering small and regional logistics partners, which has helped optimize forward shipping costs significantly. At Meesho, Generative AI is revolutionizing supply chain operations by analyzing images to detect risks, reducing errors, and streamlining processes for sellers and customers. Secure packaging solutions with barcoded tracking ensure better visibility, reducing discrepancies and fostering trust. Seller-friendly reimbursement policies and proactive measures against fraudulent claims promote fairness, easing financial burdens and protecting genuine sellers.

We've also seen a remarkable increase in prepaid transactions compared to last year, contributing to lower return-to-origin (RTO) rates and decreased costs associated with cash-on-delivery (CoD) orders.

## ▶ Improving Product Quality Through Customer Feedback

We have prioritized product quality by closely analyzing customer reviews, ratings, and feedback, while also monitoring any reported issues related to product quality and functionality. Over the past year, customer engagement has surged, with ~87% of frequent shoppers now contributing ratings and ~43% leaving detailed reviews. This reflects the growing trust customers place in Meesho. Our enhanced system provides a comprehensive overview of product quality, summarizing key feedback through specific keywords and metrics that highlight user satisfaction. Review summaries are updated in real-time, enabling a more informed and seamless shopping experience. Customers have contributed to an impressive ~346 million ratings, ~112 million reviews, and ~18 million pieces of user-generated content such as images and videos, further enriching the decision-making process for others. This data feeds into our personalization engine, optimizing quality to meet user needs. This approach not only enhances the overall shopping experience for our customers but also encourages sellers to uphold exceptional quality standards.

\*Data from Jan-Dec'24



### Lower Shipping Costs

Optimized logistics & Valmo expansion



**~346** Million

Ratings



**~112** Million

Reviews



**~18** Million

User-generated content



## \*Definitions of Key Metrics

### Order

Count of unique products sold in a transaction regardless of quantity, excluding transactions which are flagged as potential fraudulent orders by our Trust and Safety System and transactions where prepaid payment has failed. The number of orders serves as a crucial metric for Meesho, providing valuable insights into the platform's overall business growth and performance. It acts as a key indicator of our scale, growth, and the effectiveness of business strategies, enabling Meesho to track its progress and make informed decisions to scale operations effectively.

### Annual Transacting Users (ATU)

The number of unique users who successfully place at least one order on the Meesho platform in the last twelve months. Users are identified by their registered mobile phone number. This metric reflects the number of users who have been successfully served by Meesho, highlighting the platform's ability to cater to the needs of its customers across different age groups, income levels, genders, and regions, each with unique shopping preferences.

### First-Time Online Shoppers

First-time online shoppers are defined as individuals who, at the time of installing Meesho, did not have other prominent e-commerce apps installed.

### Last Twelve Months (LTM) Frequency

Average number of successful orders placed by Annual Transacting Users over the last twelve months (LTM). It provides insights into customer purchasing behavior by indicating how frequently users transact within a one-year period. This metric is crucial for understanding retention trends and trust.

### Listings

Average of daily active listings for a particular period. Active listings are unique products which are available for browsing, searching, or purchasing for our users. This excludes products added by deactivated sellers and products not meeting platform guardrails such as products with low ratings. It showcases the variety and diversity of products offered by sellers, reflecting the platform's ability to onboard sellers and expand its product range.

### Contribution Margin

Contribution Margin represents revenue generated by Meesho less all variable costs including but not limited to fulfilment, payment gateway charges, cash handling charges, customer and seller support and communication charges. It underlines our unit economics and sustainability of our growth.

### FCF

Free cash flow represents cashflow from operating activities as defined in IND AS 7, Statement of Cashflows, less purchase of property, plant and equipment, intangible assets and intangible assets under development (including capital creditors). It is a crucial metric on which we optimize our operations and is the true indicator of the financial health of our highly capital efficient business model.

### Frequent Shoppers

Frequent shoppers are users who have had more than 13 orders delivered, indicating strong engagement and repeat purchase behavior on the platform.

# What Powers Meesho:

Technology, Values, Leadership & Compliance



# Building E-Commerce For A Billion Indians



Back in 2015, when Vidit and I first began envisioning Meesho, we were driven by a simple yet powerful realization: India's ~60 million small and medium businesses (SMBs), despite contributing ~85% to the country's retail market, were confined to their local geographies and unable to dream bigger. They not just lacked tools and platforms for growth, e-commerce at the time mainly catered to large brands, leaving SMBs unable to compete on a level playing field. We saw an opportunity to rewrite this narrative.

The challenges, however, extended far beyond just Indian businesses — consumers outside metro and Tier-1 cities faced barriers like poor internet connectivity, low smartphone penetration, price sensitivity, and a lack of trust in online shopping, making e-commerce adoption even more challenging. It became clear that technology wasn't just part of the solution; it was the solution. To bridge these gaps and bring both Indian businesses and consumers into the e-commerce fold, we knew we had to build a platform that was as inclusive and resilient as the people we were building it for. Meesho was born with the mission to democratize internet commerce for everyone, empowering millions of Indian businesses and consumers with the tools and access they needed to thrive in a rapidly digitizing India.

Today, Meesho stands as a testament to the realization of this mission. Nearly 187 million unique Annual Transacting Users from across the country rely on the platform, confident in its seamless app experience, exceptional value, and commitment to security and trust. Additionally, our technology has successfully eliminated barriers to entry for both sellers and Valmo partners. By prioritizing ease of doing business, sellers are empowered with features like

Today, Meesho stands as a testament to the realization of this mission. Nearly 187 million unique Annual Transacting Users from across the country rely on the platform, confident in its seamless app experience, exceptional value, and commitment to security and trust.

AI-powered cataloging, effective pricing recommendations, fast onboarding and an intuitive ad platform, enabling them to focus on curating quality, affordable products.

At the same time, our proprietary software powering Valmo's Disaggregated Supply Chain Platform empowers ~6,000 partners and thousands of delivery executives by seamlessly connecting logistics players through standardized APIs, optimizing operations, and unlocking economic opportunities for small and large players alike. By removing traditional constraints associated with e-commerce, we're enabling businesses to scale effortlessly and drive India's digital commerce revolution.





Our cutting-edge technology operates at an unprecedented scale, making Meesho the only Indian e-commerce platform managing such massive complexity. The backend system seamlessly manages over 500,000 user requests per second at peak. Similarly, our ML platform processes an impressive ~67 trillion features and >3 trillion inferences per day. This immense capability empowers us to deliver an experience that is not only intuitive, but also highly personalized enabling us to cater to a diverse user base where ~36% are first-time online shoppers.

By deeply understanding and addressing the unique needs of our sellers, consumers and e-commerce logistics partners, we have successfully built India's most inclusive e-commerce platform.

At the heart of this success are three foundational pillars of tech:

## Powering Growth with Advanced Engineering



**At Meesho, we firmly believe that technology is the only way to solve for a billion Indians, and this philosophy is at the core of our engineering systems.**

At Meesho, we firmly believe that technology is the only way to solve for a billion Indians, and this philosophy is at the core of our engineering systems. Our commitment to inclusivity ensures that we maintain the lightest e-commerce app, optimized for low-end devices, and seamless performance even in areas with limited internet connectivity. Through targeted interventions such as advanced caching techniques, QUIC protocol, and efficient image formats, we ensure seamless experience across low-network areas and on devices with limited processing capabilities.

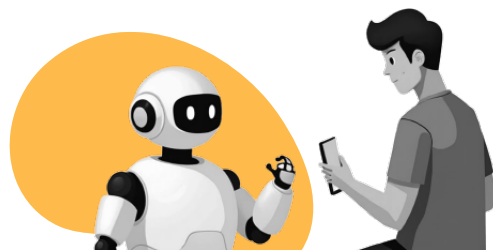
On the infrastructure front, we've designed platforms with unparalleled flexibility and adaptability. Our platforms are purpose-built to address India's unique challenges of cost, scale, and latency, serving as the backbone of our ability to innovate and deliver solutions to over a billion Indians. By decoupling our codebase from infrastructure components—such as caches, queues, and databases—we've developed modular frameworks that enable seamless transitions between technologies. This approach allows us to adopt the most efficient solutions for specific use cases without altering the codebase, ensuring cost-effectiveness, reliability, and performance at scale.

The Meesho ML Platform powers real-time personalization, fraud detection, geo-encoding, competitive pricing, and automation, all at an unprecedented scale. This ensures an optimal balance between efficiency and scalability to meet the diverse needs of 'Bharat.'

Cost efficiency is central to our engineering philosophy. From Dec'21 - Dec'24, we've achieved a c.60% reduction in Server Cost Per Order (CPO), ensuring that our server costs are best-in-class despite rapid growth in the business and continuous innovation. This has been made possible by embedding cost-efficiency principles into every architectural and technological decision and building a culture that encourages every developer to think about building efficient systems at scale.

Additionally, aligned with our asset-light philosophy, we designed Valmo, a disaggregated logistics network that enables entrepreneurs to join the supply chain anywhere from first mile to last mile. This heterogeneous network, supported by a fault-tolerant software layer, ensures high reliability, strong delivery performance, and low shipping costs.

**Cost efficiency is central to our engineering philosophy. Since 2021, we've achieved a c.60% reduction in Server Cost Per Order (CPO).**



## AI-Driven Innovation

AI drives our efforts of delivering seamless, intuitive, and innovative shopping experiences. It empowers us to push technological boundaries, creating solutions that meet diverse user needs while prioritizing accessibility and inclusivity for everyone. At the heart of our AI initiatives is real-time personalization, powered by a robust ranking system that curates a unique experience for all users. Every element of the app, from notifications to homepage widgets and infinite product feeds, is designed to align with individual user preferences, ensuring relevance and engagement. Our personalized search capabilities leverage Large Language Models (LLMs) to decode nuanced vernacular expressions, correct errors, and rewrite queries, enabling precise search results even in the presence of linguistic diversity and misspellings.

AI also powers GenAI-driven customer support, delivering seamless assistance in six Indian languages. Our GenAI chatbot resolves ~90% of user queries at one-fifth the cost, achieving higher Customer Effort Score (CES) and Customer Satisfaction (CSAT) compared to human agents, while voice bots offer human-like interactions with exceptional cost and latency efficiency. On the logistics front, our GeoIndia model tackles the complexity of unstructured Indian addresses by converting them into precise geolocations, outperforming industry benchmarks in rural and information-scarce regions. To ensure platform integrity in a decentralized marketplace with a disaggregated supply chain, we've pioneered an AI-first fraud detection system that

operates in real-time and integrates at key supply chain touchpoints. Leveraging multimodal Generative AI models and advanced architectures like Graph Neural Networks and Transformers, the system performs stringent quality checks on shipment images and videos, predicts Return to Origin (RTO), and identifies fraudulent activities, enabling proactive interventions and reinforcing trust through clear accountability.

Together, these innovations reflect our commitment to leveraging AI as a transformative force in delivering unparalleled e-commerce experiences for every Indian.

## Driving Impact Through a Shared Vision



Our engineering culture thrives on principles of innovation, accountability, and impact. Engineers are deeply aligned with business metrics, seamlessly integrating technical expertise with our mission to democratize internet commerce for everyone. This sense of ownership fosters thoughtful decision-making, ensuring every action maximizes user and business outcomes. With a strong commitment to data-driven insights, teams prioritize effectively and make informed choices that consistently deliver maximum value.

We have also cultivated a strong culture of experimentation, empowering engineers to test, iterate, and learn quickly, enabling us to solve complex problems and push boundaries. With a relentless focus on speed, we remain agile, deploying features at scale with urgency and uncompromising quality in a dynamic market.

With over 187 million unique Annual Transacting Users (as on Dec'24), our goal is to make Meesho a household name while continuing to push the boundaries of engineering excellence.

As we look to the future, our vision for technology at Meesho remains bold and purpose-driven. With over 187 million unique Annual Transacting Users (as on Dec'24), our goal is to make Meesho a household name while continuing to push the boundaries of engineering excellence. AI will be a key driver in reimagining the shopping experience, making e-commerce more intuitive, accessible, and tailored to each users' needs. By scaling our GenAI capabilities, we aim to tackle ten times as many challenges simultaneously, unlocking unparalleled efficiency and fostering innovation at a scale that will define the next chapter of our journey.

We are on an exciting path of growth and innovation, with a steadfast commitment to shaping a tech organization that sets new benchmarks globally. Together, we will continue to drive excellence, empower businesses, and redefine e-commerce for a billion Indians and beyond.

**Sanjeev Kumar Barnwal**

Founder & Chief Technology Officer, Meesho



# Culture & Values

At Meesho, culture isn't just a concept—it's the foundation of how we work, innovate, and solve for the next billion users. Rooted in our **9 Meesho Mantras**, our values guide every decision, fostering a workplace that thrives on collaboration, inclusivity, and bold ambition. These principles ensure that we don't just aim for individual success but work collectively towards achieving our mission of democratizing internet commerce for everyone.

Among our core values, **User First** stands as a cornerstone, driving us to obsess over user needs and insights. Through initiatives like the '**Listen or Die**' program, every employee

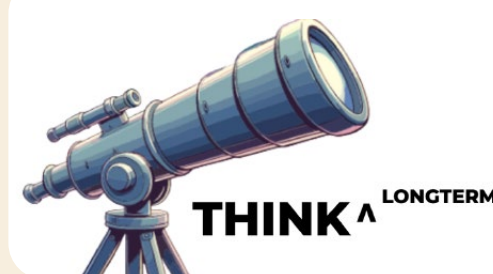
engages directly with users to gather feedback and understand their challenges, reinforcing our commitment to keeping users at the heart of everything we do.

Similarly, **Think 10X, Take Risks** encourages bold experimentation and calculated risk-taking, empowering 10x innovation and driving revolutionary change rather than incremental progress, which has been key to our exponential growth.

Our culture also emphasizes ownership, teamwork, and inclusivity. **Company > Team > Individual** ensures that collective goals always come first, reinforcing a shared sense of

responsibility. Through our **Growth Mindset**, we encourage constant learning and improvement, fostering a dynamic environment where innovation thrives.

These values are more than just words—they are the driving force behind our mission to democratize internet commerce for everyone. Together, they create a culture where ideas flourish, challenges are met with creative solutions, and every team member feels empowered to contribute to building the future of Indian e-commerce.



**LIGHT SPEED**



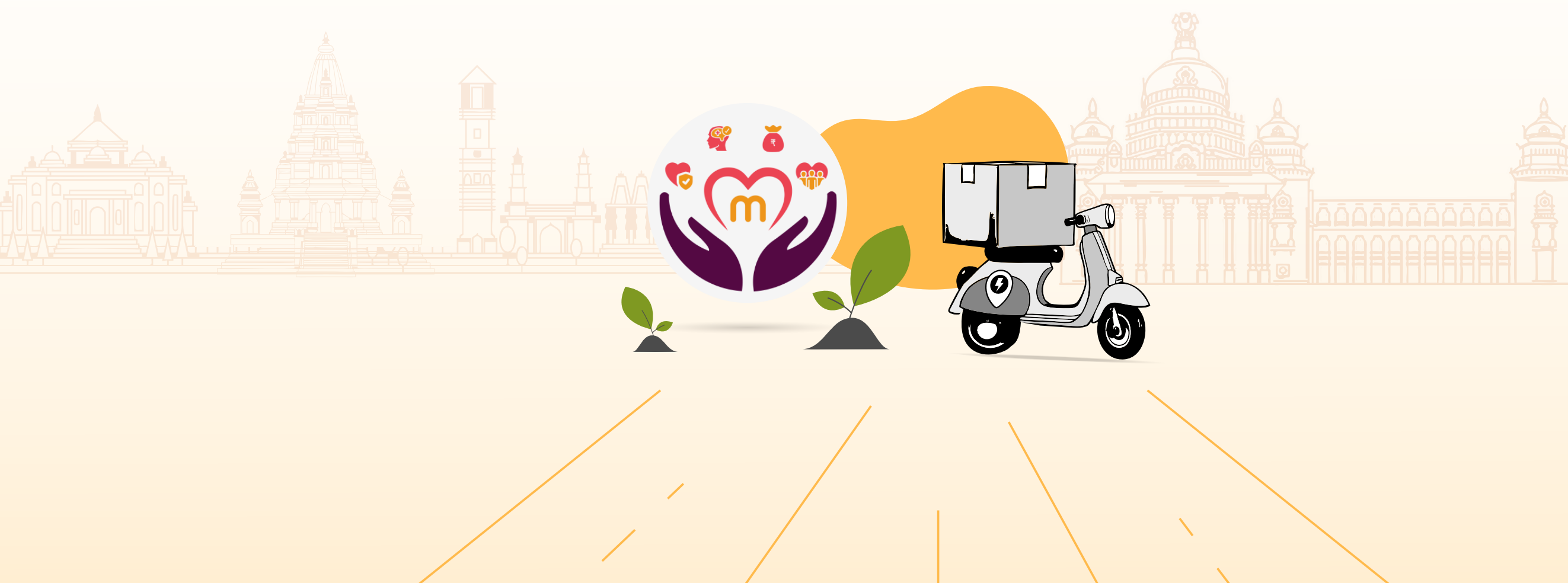
**Company  
Team  
Individual**



# From Inclusive Growth to Transparent Governance:

## Meesho's ESG Strategy

At Meesho, sustainability is more than just a priority—it is embedded in our core business strategy. By integrating Environment, Social, and Governance (ESG) principles into our practices, we are creating a purpose-driven, future-ready organization that fosters value creation for our stakeholders, enhances reputation, and builds ecosystem goodwill.



## Environment

At Meesho, we are committed to building a sustainable business by ensuring that we have a long term vision that keeps up with shifting paradigms. For example, energy efficiency and waste management principles are incorporated into the day to day operations at our place of work and we look to extend that to other aspects of the business over time. Over the next decade, we aim to transition to sustainable packaging materials and eliminate single-use plastics. Additionally, we plan to do deliveries via EV-based logistics partners, further supporting sustainability in our supply chain. These measures reflect our dedication to promoting environmental stewardship and sustainable growth and are small steps in that direction.



## Social

Meesho empowers millions of Indian businesses and entrepreneurs, particularly in tier 3 and 4 cities, through a zero-commission model and accessible technology. We actively foster diversity and inclusion with programs like Fempower and a 30-week gender-neutral parental leave policy. Our partnerships with government bodies and SHGs have brought thousands of rural women entrepreneurs online, providing training and market access. Through initiatives like MeeCare, we ensure employee well-being by addressing physical, mental, and financial health. By investing in communities and people, Meesho drives economic inclusion and social impact at scale.



## Governance

Strong governance at Meesho is built on transparency, accountability, and ethical leadership. Our policies, including the Code of Conduct, Anti-Bribery Policy, and Whistle-Blower Policy, ensure integrity across operations. We have robust mechanisms for data privacy and cybersecurity to protect user and employee information. During the reporting period, we audited over 1,600 sellers and partners to uphold compliance and ethical standards, while fostering a culture of fairness and trust. Meesho's commitment to governance aligns with its vision of responsible and sustainable business practices.

We prioritize creating an inclusive and supportive workplace, exemplified by initiatives like regular POSH (Prevention of Sexual Harassment) training to ensure 'a safe and respectful environment for all employees. Our progressive leave policies reflect our commitment to employee well-being and inclusivity. We offer 30 weeks of fully paid parental leave for primary caregivers, applicable across all genders and caregiving scenarios, with additional support during the transition back to work. Additionally, we provide leaves for wellness, weddings, gender transition, pet adoption, and study needs, ensuring our employees feel supported through every personal and professional milestone.



# Corporate Governance

The Company is committed to achieving and adhering to the highest standard of Corporate Governance. It believes in and practices good corporate governance. Our corporate governance philosophy is rooted in our core values and principles, ensuring trust and transparency at all levels.

Your Company is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. By regularly reviewing and updating our governance practices, we stayed aligned with the latest regulatory requirements and best practices. Additionally, we have adopted various Codes and Policies to uphold the highest standards of corporate governance. The Company maintains transparency and also enhances corporate accountability. Endeavours have been made to follow the best practices in all the functional areas in discharging responsibilities towards the community, the government and all other concerns dealt with by the Company.



# Business ethics & values

## ► Code of Conduct

Our Code of Business Conduct defines who we are and what is important to us. More importantly, the code builds upon our shared values and sets out the standard of ethical conduct and behaviour expected of each employee working in the organisation. The Code provides guidance to us to make ethical decisions at work and the means to navigate through situations we face every day. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. These principles have been and will continue to be our guiding force in future.

We expect all employees, board members, officers as well as our partners, suppliers, external stakeholders, temporary service workers, third parties, interns and independent contractors to know, understand, apply and follow the code.



## ► Compliance & Ethics

We have developed and enforced various policies and codes under prevailing laws, with a commitment to stringent corporate governance and zero tolerance towards non-compliance. Integrity and credibility in our acts, fairness and impartiality in our dealings with others, trust and respect for people and demanding excellence are the essence of our flawless operation.



## ► Privacy & Data Security

The Company's technology infrastructure plays a big role in its operations. We place a high priority on safeguarding customer data privacy and security, focusing on managing risks associated with all the information security domains including Asset management, infra network security, and HR and physical security data collection, storage and protection. To implement, maintain and sustain an effective information security strategy the Organization has defined the Threat and Vulnerability management procedure to outline a process to establish controls and processes to help identify threats & vulnerabilities within information systems which could be exploited by attackers to gain unauthorized access, disrupt business operations, and steal or leak sensitive data. Further, our efforts also include setting up a framework around the Third-Party Risk Management, developing procedure to ensure robust organizational structure exist to deal with business disruptions and Privacy Policy has also been designed to protect the information which the Company collects through its Services, in email, text and other electronic communications sent through or in connection with its Services. Regular training sessions for employees reinforce best practices and ensure the policies are implemented at organizational level.





# Trust & Safety:

## Technology, Values, Leadership & Compliance

Meesho is committed to ensuring trust and safety for our users through initiatives like Project Vishwas and Project Suraksha, we have developed robust mechanisms to protect customers and sellers, ensuring a secure and transparent shopping environment.



### Combating Fraud & Counterfeits

- Under **Project Vishwas (launched in 2023)**, Meesho prevented over **22 million fraudulent transactions** in the past year by leveraging cutting-edge technology and advanced data science frameworks.
- The project successfully blocked **7.7 million scam attempts** and deactivated **1.3 million bot orders**, reflecting Meesho's proactive stance against fraud.
- Project Suraksha (introduced in 2022)**, focused on counterfeit prevention, led to the removal of **4.2 million counterfeit product listings** and **1 million restricted products** in just six months.
- An AI-powered detection system and a dedicated **Suraksha List** of high-risk brands ensure only legitimate sellers operate on the platform, reducing non-compliant listings by 80%.

### Collaborations & Legal Actions

- Meesho collaborates closely with law enforcement, filing FIRs and taking action against fraudulent activities such as lottery scams and account takeover fraud. Notably, investigations have led to FIRs and arrests, with a higher success rate in tackling account takeover fraud.
- Meesho has also worked with threat intelligence platforms to take down fraudulent social media accounts and fake websites, protecting users from scams.

### Building User Trust

- With technological innovation, strategic collaborations, and strong compliance measures, Meesho has solidified its reputation as a trustworthy platform. From safeguarding intellectual property to educating users about online safety, Meesho continues to prioritize security and transparency.

By proactively addressing fraud and counterfeiting, Meesho remains committed to creating a safe and reliable e-commerce experience for its users, earning trust across the ecosystem.

More information about our Trust and Safety initiatives are available in the following reports.





# Directors’ Report

To  
The Members,  
**FASHNEAR 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, 2024, 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, 2024, and March 31, 2023, are given below:

Particulars	Consolidated		Standalone	
	FY 2024	FY 2023	FY 2024	FY 2023
Revenue from operations	76,149	57,345	76,149	57,345
Other Income	2,302	1,548	2,302	1,548
Total Income	78,451	58,893	78,451	58,893
Total Expenses	81,501	75,643	81,501	75,643
(Loss) before tax	(3,049)	(16,750)	(3,049)	(16,750)
Other comprehensive (loss) / income	(4)	(10)	(4)	(10)
Total comprehensive (loss) for the year	(3,053)	(16,760)	(3,053)	(16,760)

During the year under review, revenue from operations witnessed a growth of 33% and total expenditure has increased by 8% 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.

### 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. 6 & 13 respectively to the financial statements of the Company. During the period under review, the Company has incorporated 2 (Two) wholly owned subsidiaries i.e. Meesho Technologies Private Limited and Meesho Grocery Private Limited. However, the investment in the said subsidiaries were made subsequent to the year ended March 31, 2024 i.e. in the current year.

### 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, 2024:

- i. the Company has not altered the authorized share capital of the Company and the authorized share capital of the Company as at March 31, 2024 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 not issued and allotted any shares.

- 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 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.

Subsequent to the financial year ended March 31, 2024, the Company has issued and allotted 60,00,357 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
25.04.2024	Right Issue	60,00,357	INR 1 per share

### Changes in Subsidiaries, Joint Ventures and Associates

During the period under review, the Company has incorporated 2 (Two) wholly owned subsidiaries i.e. Meesho Technologies Private Limited and Meesho Grocery Private Limited. However, the investment in the said subsidiaries were made subsequent to the year ended March 31, 2024 i.e. in the current year.

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

The Salient features of the financial statement of the Subsidiary in Form AOC-1 has been annexed as **Annexure I** to the Directors’ Report.

### 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>.

### 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, 2024, the total strength of the Board was 2 (Two) Directors.

The Board on March 31, 2024, 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 2023-24 on following dates:

20.04.2023, 25.07.2023, 20.10.2023, 27.10.2023, 28.12.2023, 06.03.2024, 28.03.2024, 30.03.2024

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 has been duly constituted in accordance with the provisions of the Act. 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>.

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 III**.

**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 Act, 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 III** and you may also refer to related party transactions in note no. 29 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.
- 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 shareholders of the Company had appointed 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. M/s S.R. Batliboi & Associates LLP, Chartered Accountants continues to be Statutory Auditor of the Company.

Auditor’s Report on the Financial Statement for the financial year ended March 31, 2024 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 information, as required under the Act.

**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 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.

The Company has also constituted Internal Committee as required under the Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013. 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 of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

**Employee Stock Option Plan:**

The ESOP scheme allows issue of options to employees of the Company. Each option comprises one underlying equity share. The options would be exercisable at the exercise price given in the grant letter. In terms of Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 the following details of the Employees Stock Option Scheme have been provided:

Options outstanding	March 31, 2024
a. Options granted	42,17,999
b. Options vested	NIL
c. Options exercised	NIL
d. The total number of shares arising as a result of exercise of option	NIL
e. Options lapsed	NIL
f. the exercise price	INR 1 per option
g. variation of terms of option	No Variation
h. money realized by exercise of option	NIL
i. total number of options in force	42,17,999
j. employee wise details of options granted to:	
i. key managerial personnel	Vidit Aatrey – 20,65,211 Sanjeev Kumar – 6,59,323
ii. any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during the year	NIL
iii. identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Vidit Aatrey – 20,65,211

**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. Theeffortsmadetowardstechnologyabsorption;
- 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

The Foreign Exchange outgo in terms of actual outflows during the year: INR 1063.05 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

Subsequent to the year ended March 31, 2024, the Board of Directors of the Company and its wholly owned subsidiaries Meesho Grocery Private Limited (‘Resultant Company-1’), Meesho Technologies Private Limited (‘Resultant Company-2’) and Meesho Inc. (‘Transferor Company’), have approved the Composite Scheme of Arrangement between the Company, Resultant Company-1, Resultant Company-2, Transferor Company and their respective shareholders and creditors (hereinafter referred to as “the Scheme”) in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 to demerge the Grocery business and market place business from the Company to Resultant Company-1 and Resultant Company-2 respectively as well as transfer the business of Transferor Company to the Company.

The Company has filed the scheme with the regulatory authorities and is awaiting the necessary approvals.

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.

Disclosure on Appointment of Designated Person

In terms of sub-rule (4) of Rule 9 of Companies (Management and Administration) Rules, 2014, Vidit Aatrey, Whole-time Director of the Company has been appointed as Designated Person and shall be responsible with respect to compliance with the provisions of the Act relating to beneficial interest.

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.

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

Vidit Aatrey  
Whole-time Director  
DIN: 07248661

Place: Bengaluru  
Date: September 30, 2024

Sanjeev Kumar  
Whole-time Director  
DIN: 07248672



Form No. AOC-1

Annexure I

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

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

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.00)

Sl. No.	Particulars	Subsidiary	Subsidiary
1.	Name of the subsidiary	Meesho Grocery Private Limited	Meesho Technologies Private Limited
2.	The date since when the subsidiary was acquired	18.03.2024	22.03.2024
3.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA
1.	Share capital	Nil	Nil
2.	Reserves & surplus	Nil	Nil
3.	Total assets	Nil	Nil
4.	Total Liabilities	Nil	Nil
5.	Investments	Nil	Nil
6.	Turnover	Nil	Nil
7.	Profit before taxation	Nil	Nil
8.	Provision for taxation	Nil	Nil
9.	Profit after taxation	Nil	Nil
10.	Proposed Dividend	Nil	Nil
11.	Extent of Holding	100%	100%
12.	% of shareholding of holding Company	100%	100%

- Notes:**
1. Meesho Grocery Private Limited and Meesho Technologies Private Limited were incorporated in March 2024, however, the investment in the said subsidiaries were made in April 2024. The first year of the said subsidiaries will end on March 31, 2025. Therefore, all the figures have been marked as Nil.
2. Names of subsidiaries which are yet to commence operations: Meesho Grocery Private Limited and Meesho Technologies Private Limited
3. Names of subsidiaries which have been liquidated or sold during the year: None

Form No. AOC-2

Annexure II

(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
Shikhar Aatrey, (Relative of Director)	Availing of Software development services	07 Months	INR 0.51 Mn	06 March 2024	NA
Meesho Inc (Holding Company)	Recovery of Expenses	On going	INR 1769.00 Mn	NA	NA
Meesho Payments Private Limited (Common Directors)	Recovery of Expenses	On going	INR 21.97 Mn	NA	NA

For and on behalf of the Board of Directors

**FASHNEAR TECHNOLOGIES PRIVATE LIMITED**

**Vidit Aatrey**  
Whole-time Director  
DIN: 07248661

Place: Bengaluru  
Date: September 30, 2024

**Sanjeev Kumar**  
Whole-time Director  
DIN: 07248672



# Report on CSR Activities

## Annexure III

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 31.03.2024):

Sl. 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

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

Vidit Aatrey

Whole-time Director & Chairman of the CSR Committee  
DIN: 07248661

Place: Bengaluru  
Date: September 30, 2024

Sanjeev Kumar

Whole-time Director & Member  
DIN: 07248672



# Independent Auditor’s Report

To  
The Members of  
**Fashnear Technologies Private Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Fashnear Technologies Private Limited** (“the Company”), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income/(Loss), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income/(loss) its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not

include the standalone financial statements and our auditor’s report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibility of Management for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company’s financial reporting process.

## Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone 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 management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### Other matters

The financial statements of the Company for the year ended March 31, 2023, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those financial statements dated October 20, 2023.

## 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 sub-section (11) of section 143 of the Act, we give in the **“Annexure 1”** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 in respect of two applications, backup of the books of account

- and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on daily basis and for two applications, the Company does not have servers physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode as disclosed in Note 39 to the standalone financial statements and the matters stated in the paragraph (i) (vi) below on reporting under Rule 11(g);
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph below (i) (vi) on reporting under Rule 11 (g);
- (g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 2"** to this report;
- (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2024;
- (i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28(a) to the standalone financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief that, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief that, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such 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 (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, and as explained in note 39 to the standalone financial statements, the Company has used certain accounting

softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the aforesaid softwares, except that i) in respect of three applications audit trail feature was not enabled and accordingly we cannot comment on the audit trail feature being tampered with in this regard and ii) in respect of one application used by the Company, audit trail feature is not enabled for direct changes to data when using certain access rights and we did not come across any instance of audit trail feature being tampered with in respect of this application where audit trail has been enabled.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Rajeev Kumar**

Partner

Place: Bengaluru

Membership Number: 213803

Date: September 30, 2024

UDIN: 24213803BKGWOC9808





Annexure 1

to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Fashnear Technologies Private Limited

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)

(a)

(A)

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

(a)

(B)

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

All property, plant and equipment have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, 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)

There are no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company.
- (d)

The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e)

There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder as disclosed in note 37 to the standalone financial statements.
- (ii)

(a)

The Company’s business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b)

The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii)

(a)

During the year the Company has not provided any loans, stood guarantee or provided security to companies, firms or Limited Liability Partnerships. During the year, the Company has

provided advances in the nature loans to Other parties (employees) as follows:

	Advances in nature of loans (Rs million)
Aggregate amount granted/ provided during the year	48.73
Balance outstanding as at balance sheet date in respect of above cases	19.69

- (b)

During the year, the investments made and the terms and conditions of the grant of loans to other parties (employees) are not prejudicial to the Company’s interest. The Company has not given guarantees, loans and advances in the nature of loans or provided security to companies, firms or Limited Liability Partnerships.
- (c)

The Company has granted interest-free loans or advances in the nature of loans during the year to other parties (employees) where the schedule of repayment of principal has been stipulated and the repayment or receipts are regular.
- (d)

There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e)

There were no loans or advances in the nature of loans granted to other parties (employees) which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances given to the same parties.
- (f)

The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to other parties (employees). Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv)

There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v)

The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning

of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

- (vi)

To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.
- (vii)

(a)

Undisputed statutory dues including provident fund, employees’ state insurance, income-

tax, duty of custom, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b)

There are no dues of goods and services tax, provident fund, employees’ state insurance, income tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which have not been deposited on account of any dispute, except as follows.

Name of the statute	Nature of the dues	Amount (J in Millions)	Payment under protest (J in Millions)	Period to which the amount relates (financial year)	Forum where the dispute is pending
The Central Goods and Service Tax Act, 2017	Goods and Service Tax	142.91	14.29	October 2018-March 2020	Commissioner (Appeals), Thane

- (viii)

The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year as disclosed in note 37 to the standalone financial statements. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)

(a)

The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b)

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

(c)

The Company did not have any term loans outstanding during the year. Hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d)

On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e)

On an overall examination of the standalone financial statements of the Company, the Company has not taken funds from any entity or person specifically on account of or to meet the obligations of its subsidiaries. The Company does not have any associates or joint ventures.
- (f)

The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any associates or joint ventures. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x)

(a)

The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b)

The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)

(a)

No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b)

During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c)

We have taken into consideration the whistle blower complaints received by the Company while determining the nature, timing and extent of audit procedures.



- (xii) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

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

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii)The Company has incurred cash losses amounting to H 2,473.65 Million in the current year and amounting to H 16,451.68 Million in the immediately preceding financial year.

(xviii)There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 36 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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 provisions of section 135 of the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**per Rajeev Kumar**  
Partner  
Place: Bengaluru                      Membership Number: 213803  
Date: September 30, 2024      UDIN: 24213803BKGWOC9808

Annexure 2

to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Fashnear Technologies Private Limited

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to the standalone financial statements of Fashnear Technologies Private Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 these standalone financial statements was 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 these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding

of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements**

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

**Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to

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the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**per Rajeev Kumar**  
Partner  
Place: Bengaluru  
Date: September 30, 2024

Membership Number: 213803  
UDIN: 24213803BKGWOC9808

Standalone Balance Sheet

as at March 31, 2024  
(All amounts in Indian Rupees in Millions, except as stated otherwise)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	522.83	231.22
Capital work-in-progress	3(b)	-	-
Intangible assets	4	15.61	219.37
Intangible assets under development	5	-	17.34
Right-of-use assets	3(a)	581.11	110.17
<b>Financial assets</b>			
Investments	6	-	1,106.44
Bank balances other than cash and cash equivalents	7	8,114.77	5,750.00
Other financial assets	8	62.81	1.45
Income tax assets	9	404.28	265.39
Other non current assets	10	-	2,491.68
<b>Total non-current assets</b>		<b>9,701.41</b>	<b>10,193.06</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	6	4,428.61	19,426.47
Trade receivables	11	-	3.96
Cash and cash equivalents	12	1,366.29	952.24
Bank balances other than cash and cash equivalents	7	16,482.70	560.20
Loans	13	19.69	50.13
Other financial assets	8	6,033.93	1,722.72
Other current assets	10	2,294.50	2,624.41
<b>Total current assets</b>		<b>30,625.72</b>	<b>25,340.13</b>
<b>Total assets</b>		<b>40,327.13</b>	<b>35,533.19</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	78.35	78.35
Other equity	15	21,157.52	21,694.77
<b>Total equity</b>		<b>21,235.87</b>	<b>21,773.12</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	32	582.66	-
Provisions	16	142.96	114.92
<b>Total non-current liabilities</b>		<b>725.62</b>	<b>114.92</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	32	140.05	116.80
Trade payables	17	-	-
total outstanding dues of micro enterprises and small enterprises		615.78	143.71
total outstanding dues of creditors other than micro enterprises and small enterprises		7,921.96	8,145.92
Other financial liabilities	18	8,305.94	4,528.59
Other current liabilities	19	1,290.42	496.52
Provisions	16	91.49	213.61
<b>Total current liabilities</b>		<b>18,365.64</b>	<b>13,645.15</b>
<b>Total equity and liabilities</b>		<b>40,327.13</b>	<b>35,533.19</b>

Summary of material accounting policies2

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

**For S R Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm's Registration Number: 101049W/E300004

**per Rajeev Kumar**  
Partner  
Membership number: 213803  
  
Place: Bengaluru, India  
Date: September 30, 2024

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

**Vidit Aatrey**  
Director  
DIN: 7248661  
  
Place: Bengaluru, India  
Date: September 30, 2024

**Sanjeev Kumar**  
Director  
DIN: 7248672

**Dhiresb Bansal**  
Chief Financial Officer





Standalone Statement of Profit and Loss

for the year ended March 31, 2024  
(All amounts in Indian Rupees in Millions, except as stated otherwise)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Income</b>			
Revenue from operations	20	76,149.48	57,345.19
Other income	21	2,301.72	1,547.61
<b>Total income</b>		<b>78,451.20</b>	<b>58,892.80</b>
<b>Expenses</b>			
Employee benefits expense	22	7,504.91	7,263.35
Finance costs	23	63.72	13.38
Depreciation and amortization expense	24	581.02	298.45
Other expenses	25	73,351.11	68,067.75
<b>Total expense</b>		<b>81,500.76</b>	<b>75,642.93</b>
<b>Loss before tax</b>		<b>(3,049.56)</b>	<b>(16,750.13)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Loss for the year</b>		<b>(3,049.56)</b>	<b>(16,750.13)</b>
<b>Other comprehensive income/(loss)</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined employee benefit plans		(3.96)	(10.42)
Income tax on above		-	-
<b>Other comprehensive income/(loss), net of tax</b>		<b>(3.96)</b>	<b>(10.42)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(3,053.52)</b>	<b>(16,760.55)</b>
<b>Earnings/(loss) per equity share</b>			
Basic/Diluted (H)	26		
Equity shares [Nominal value of share Re. 1 each (March 31, 2023: Re. 1)]		(38.92)	(225.38)
Weighted average number of shares used in computing above		7,83,49,851	7,43,17,900

Summary of material accounting policies 2

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

<b>For S R Batliboi &amp; Associates LLP</b> Chartered Accountants ICAI Firm's Registration Number: 101049W/E300004	For and on behalf of Board of Directors of <b>Fashnear Technologies Private Limited</b> CIN : U74900KA2015PTC082263		
<b>per Rajeev Kumar</b> Partner Membership number: 213803	<b>Vidit Aatre</b> Director DIN: 7248661	<b>Sanjeev Kumar</b> Director DIN: 7248672	<b>Dhires</b> Chief Financial Officer
Place: Bengaluru, India Date: September 30, 2024	Place: Bengaluru, India Date: September 30, 2024		

Standalone Statement of Cash Flows

for the year ended March 31, 2024  
(All amounts in Indian Rupees in Millions, except as stated otherwise)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flow from operating activities</b>		
Loss before tax	(3,049.56)	(16,750.13)
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Depreciation and amortisation expense	581.02	298.45
Allowance for doubtful balances	108.49	250.81
Net (Gain) / Loss on disposal of property, plant and equipment	(1.69)	22.46
Property, plant and equipment written off	0.99	1.31
Gain on termination of lease Contract	(3.47)	-
Liabilities no longer required, written back	(62.96)	-
Profit on sale of current investments, net	(289.09)	(513.81)
Fair value gain on investments at fair value through profit and loss	(14.33)	(114.81)
Interest on lease liabilities	57.72	13.38
Interest income on bank deposits, bonds and certificate of deposits	(1,872.00)	(867.39)
Interest income on security deposits (unwinding of discounting impact)	(4.80)	(0.98)
Employee share based payment expense	2,516.27	1,058.02
<b>Operating loss before working capital changes</b>	<b>(2,033.41)</b>	<b>(16,602.69)</b>
<b>Movement in working capital:</b>		
Decrease/ (increase) in trade receivables	3.96	(3.96)
Decrease/ (increase) in loans	30.44	(21.07)
(Increase)/ decrease in other financial assets	(3,068.13)	3,214.26
Decrease/ (increase) in other assets	2,821.59	(1,743.28)
Increase/ (decrease) in trade payables	248.11	(4,956.60)
Increase/ (decrease) in other financial liabilities	3,759.49	(2,803.31)
Increase/ (decrease) in other liabilities and provisions	695.86	(7.33)
<b>Cash flows from/ (used in) operating activities</b>	<b>2,457.91</b>	<b>(22,923.98)</b>
Income taxes paid, net of refund	(138.89)	(101.21)
<b>Net cash flows from/ (used in) operating activities (A)</b>	<b>2,319.02</b>	<b>(23,025.19)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, intangible assets and intangible assets under development (including capital creditors)	(352.48)	(379.81)
Proceeds from sale of property, plant and equipment	5.86	15.03
Purchase of investments	(99,022.08)	(1,38,403.15)
Proceeds from sale of investments	1,15,429.93	1,30,476.60
Redemption/(investment) in fixed deposits, net	(18,287.27)	(5,363.00)
Interest received	435.16	761.32
<b>Net cash flows used in investing activities (B)</b>	<b>(1,790.88)</b>	<b>(12,893.01)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital (including share premium)	-	32,751.56
Payment of share issue expenses	-	(2.52)
Payment of principal portion of lease liabilities	(103.27)	(111.67)
Payment of interest portion of lease liabilities	(10.82)	(3.71)
<b>Net cash flows (used in)/ from financing activities (C)</b>	<b>(114.09)</b>	<b>32,633.66</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	<b>414.05</b>	<b>(3,284.54)</b>
Cash and cash equivalents at the beginning of the year	952.24	4,236.78
<b>Cash and cash equivalents at end of the year</b>	<b>1,366.29</b>	<b>952.24</b>
<b>Cash and Cash equivalents comprise of: (Refer note 12)</b>		
Balances with banks:		
- in current accounts	616.29	952.24
- in deposit accounts	-	-
- in deposit accounts (with original maturity of 3 months or less)	750.00	-
<b>Total Cash and cash equivalents</b>	<b>1,366.29</b>	<b>952.24</b>





# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

## 2 Summary of material accounting policies

### 1) Corporate information

The standalone financial statements comprise financial statements of **Fashnear Technologies Private Limited** (the Company) (CIN U74900KA2015PTC082263) for the year ended March 31, 2024. The Company is a private company domiciled in India on 13 August 2015 under the provisions of Companies Act, 2013 applicable in India. The registered office of the Company is located at 3rd Floor, Wing-E, Helios Business Park, Kadubeesanahalli Village, Varthur Hobli, Outer Ring Road, Bellandur, Bangalore, Bangalore South, Karnataka, India, 560103.

The Company is an application based marketplace that connects

- a) suppliers and end consumers or
- b) supplier and resellers, enabling resellers to sell products.

The standalone financial statements were approved for issue in accordance with a resolution of the directors on September 30, 2024.

### 2) Material accounting policies

#### 2.1 Statement of compliance and basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Standalone Financial statements.

The standalone financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Share based payments.

These standalone 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. Functional currency is the currency of the primary economic environment in which the entities forming part of Company operates and is normally the currency in which the entities forming part of Company primarily generates and expends cash.

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

#### 2.2 Summary of material accounting policies

##### a) Use of estimates, judgments and assumptions

The preparation of standalone financial statements requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

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

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting year; or

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

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

All other assets are classified as non-current. A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

##### c) Property, plant and equipment

###### Recognition, measurement and de-recognition

Items of property, plant and equipment are measured at cost 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.

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.

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.

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 arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

###### 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.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:		
Asset Category	Useful lives estimated by the management (years)	Useful lives as per Schedule II of the Act (years)
Furniture & Fixtures	10	10
Computers & Servers	3-6	3-6
Office Equipments	2-10	5
Vehicles	4	6-8

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

Improvements to leasehold buildings not owned by the Company are amortized over the lease year or estimated useful life of such improvements, whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

**d) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

and loss unless such expenditure forms part of carrying value of another asset.

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

*Research and development costs*

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

Intangible assets (other than those acquired in business combination) are

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

amortised on a straight-line basis over the estimated useful economic life i.e. 3 years. All Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method for an intangible asset with a useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation year or method, as appropriate, and are treated as changes in accounting estimates.

**e) Leases**

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

*Company as a lessee*

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

*Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, i.e., 5 years.

If ownership of the right-of-use asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets.

*Lease Liabilities*

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

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

*Short-term leases and leases of low-value assets*





# Notes to the Standalone Financial Statements

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The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets

recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**f) Financial instruments**

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

*Financial assets*

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, 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.

*Subsequent Measurement*

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

- (i) Financial assets at Amortized cost
- (ii) Financial assets at fair value through profit and loss (FVTPL)
- i) 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.

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

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI.

*Derecognition of financial assets*

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset or the rights to receive cash flows from the financial asset have expired. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

*Financial liabilities:*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss/ payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

# Notes to the Standalone Financial Statements

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The Company's financial liabilities includes trade and other payables.

For purposes of subsequent measurement, financial liabilities are classified at amortised cost using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

*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.

**g) Fair value measurement**

The Company measures financial instruments at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market

participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

- **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company has set policies and procedures for both recurring and non-recurring fair value measurement of financial assets, which includes valuation techniques and inputs to use for each case.

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.1)





# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
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- Quantitative disclosures of fair value measurement hierarchy (note 35)
- Financial instruments (including those carried at amortised cost) (note 35)

**h) Impairment**

*i) Financial assets*

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost for e.g., debt securities, deposits, trade receivables and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

In respect of other financial assets (eg.: debt securities, deposits, bank balances etc), the Company generally invests in instruments with high credit rating and consequently low credit risk. In the unlikely event that the credit risk increases significantly from inception of investment, lifetime ECL is used for recognising impairment loss on such assets.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the

original Effective Interest Rate (EIR). When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost and trade receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

*ii) Non-financial assets*

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
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Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Impairment loss of non-financial assets, if any are recognised in the Statement of Profit and Loss.

**i) Revenue recognition**

Revenue from contracts with customer

Company generates revenue from online delivery of goods, advertisements, Assurance services and other platform services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated towards that performance obligation. The transaction price of goods sold and services rendered is net of any taxes collected from customers, which is remitted to government authorities and variable consideration on account of discounts and schemes offered by the Company. The transaction price is an amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services.

Where performance obligation is satisfied at a point in time, the company recognizes revenue when the customer obtains control of promised services in the

contract. Revenue is recognized net of any taxes collected from customers, which are remitted to governmental authorities.

Revenue recognition for the various revenue streams is as follows:

*i) Shipping Income*

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 or upon the confirmed delivery of the returned product to the supplier. 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 the Company expects to be entitled in exchange for those goods or services. 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.

There are two different types of Shipping Income:

- Forward Shipping income is a stream of revenue generated from shipping charges recovered from customers upon successful delivery of goods. The amount of Forward Shipping Income is determined based on factors including product weights, delivery zones, and the chosen mode of payment. Shipping charges reflect the logistical and operational costs associated with transporting goods to their destinations.
- Return shipping income is a stream of revenue that is recovered from the supplier in case the product is returned or exchanged by the end customer. Return shipping fees are



Notes to the Standalone Financial Statements

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- recognised upon the confirmed delivery of the returned product to the supplier. The amount of Reverse Shipping Income is determined based on factors including product weights, delivery zones, Logistics Carrier, etc.
- ii) Mall fees

Mall Fee consists of commission and forward shipping charges recovered from the suppliers. Commission is charged as a percentage of the sale price for each successful transaction made through the mall platform. Forward Shipping Income represents revenue generated from shipping charges recovered from suppliers upon successful delivery of goods.
- iii) Advertisement revenue

Advertisement revenue is derived principally from the sale of online advertisements which is run on the platform. 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 the credit period given to customers, there is no financing component in the contract.
- iv) Return and RTO Assurance Program

The Return and RTO Assurance Program is a stream of revenue designed to offer sellers a way to manage and control their return percentages effectively by offering financial predictability and protection against unforeseen return-related expenses. The fee charged is a percentage of the sale revenue for the respective month and is recognised at a point in time.
- v) Discounts to Platform users

The Company provides First order related discounts to the users to promote transactions on its platform. For all transactions the Company is
- not responsible for services to these platform users or does not receive consideration from the user. Thereby, the Company does not consider the user as a customer and hence the discounts extended to these platform users are recorded as expenses.

i) 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.

j) Foreign currency transactions

Transactions in foreign currencies are translated into INR, the respective functional currency 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
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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.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

k) 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

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates whether it is probable that the relevant taxation authority would accept an uncertain tax treatment that the Company has used or plan to use in its income tax filings, including with respect to situations in which applicable tax regulations are subject

to interpretation and establishes provisions, where appropriate. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

(ii) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences, except:

  - when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
  - in respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiary and associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary

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# Notes to the Standalone Financial Statements

for the year ended March 31, 2024

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

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

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.

## i) Provisions, Contingent Liabilities and Contingent Assets

### 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 Liability

*Contingent liability is:*

- a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
- a present obligation that arises from past events but is not recognized because;
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
  - the amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37. Contingent Asset

### Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by- the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize the contingent asset in its standalone financial statements since this may result in the recognition of income that may never be realised. Where an inflow of economic benefits is probable, the Company disclose a brief description of the nature of contingent assets at the end of the reporting period.

# Notes to the Standalone Financial Statements

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However, when the realisation of income is virtually certain, then the related asset is not a contingent asset, and the Company recognize such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

## m) Retirement and other 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.

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 Other Comprehensive Income/(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.

## n) Employee Stock-based payment

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as a 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.



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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.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in deemed contribution, over the year in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

For cancelled options, the payment made to the employee shall be accounted for as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments of the Holding company, measured at the cancellation date. Any such excess from the fair value of equity instrument shall be recognised as an expense.

**o) Cash and cash equivalents**

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

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

**p) Earnings per share / loss per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

**q) Segment Reporting**

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components (b) whose operating results are regularly reviewed by the Company's Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available. The accounting policies consistently used in the preparation of the standalone financial statements are also applied to record revenue and expenditure in individual segments.

These activities of the Company are reviewed regularly by the chief operating decision maker from an overall business perspective, rather than reviewing its products/services as individual standalone components and therefore subject to the same risk and reward and accordingly falls within single business segment.

**r) 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.

**s) Significant accounting judgements, estimates and assumptions**

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could

result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management (Note 35)
- Financial risk management objectives and policies (Note 35)
- Sensitivity analysis disclosures (Notes 27 and 35)

The Company bases its assumptions and estimates on parameters available when the Standalone Financial Statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the standalone financial statements are as below:

**Leases**

The Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement and considers all relevant factors that create an economic incentive in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate. In calculating the present value of lease payments, the Company uses internal rate of return for the assets which were earlier classified under finance lease and incremental borrowing rate (IBR)





# Notes to the Standalone Financial Statements

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for Right of use assets at the lease commencement date.

The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates), when available and makes entity-specific estimates, wherever required.

### Impairment of financial assets

The measurement of expected credit loss reflects a probability-weighted outcome, the time value of money and the best available forward- looking information. The correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and forecasted economic conditions. The Company's historical credit loss experience and forecast of economic conditions may not be representative of the actual default in the future.

### Tax contingencies and provisions

Significant management judgement is required to determine the amounts of tax contingencies and provisions, including amount expected to be paid/recovered for uncertain tax positions and the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include

the determination of the discount rate, expected return, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

### Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 31.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Standalone Financial Statements cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments."

### t) New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's standalone financial statements.



Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
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3 (A) Property, Plant and Equipment and Right-of-use Assets

	Property, plant and equipment						Right-of-use assets
	Furniture and fixtures	Office equipment	Computers and accessories	Vehicles	Leasehold improvements	Total	Office Building
Gross Carrying value							
At 1 April 2022	4.05	35.36	313.98	6.43	-	359.82	35.30
Additions	0.98	1.27	140.13	8.71	-	151.09	186.45
Disposals	(2.96)	(21.69)	(68.51)	(2.14)	-	(95.30)	-
At March 31, 2023	2.07	14.94	385.60	13.00	-	415.61	221.75
Additions	123.47	104.18	26.35	-	176.25	430.25	719.84
Disposals	(0.24)	(0.99)	(28.93)	(10.29)	-	(40.45)	(221.73)
At March 31, 2024	125.30	118.13	383.02	2.71	176.25	805.41	719.86
Accumulated depreciation							
At 1 April 2022	0.27	5.21	98.35	1.38	-	105.21	1.36
Charge for the year	0.32	9.41	115.83	10.14	-	135.70	110.22
Disposals	(0.35)	(8.12)	(47.61)	(0.44)	-	(56.52)	-
At March 31, 2023	0.24	6.50	166.57	11.08	-	184.39	111.58
Charge for the year	2.81	9.25	110.67	1.47	8.64	132.84	224.12
Disposals	(0.09)	(0.17)	(24.14)	(10.25)	-	(34.65)	(196.95)
At March 31, 2024	2.96	15.58	253.10	2.30	8.64	282.58	138.75
Net book value							
At March 31, 2023	1.83	8.44	219.03	1.92	-	231.22	110.17
At March 31, 2024	122.34	102.55	129.92	0.41	167.61	522.83	581.11

3(b) There are no capital work-in-progress as at March 31, 2024 and March 31, 2023.

4 Intangible assets

	Software	Business application development cost	Total
Cost			
At 1 April 2022	93.86	-	93.86
Additions	11.50	199.87	211.37
Disposals	-	-	-
At March 31, 2023	105.36	199.87	305.23
Additions	3.04	17.34	20.38
Disposals	(9.97)	-	(9.97)
At March 31, 2024	98.43	217.21	315.64
Amortisation			
At 1 April 2022	33.33	-	33.33
Charge for the year	31.57	20.96	52.53
Disposals	-	-	-
At March 31, 2023	64.90	20.96	85.86
Charge for the year	27.81	196.25	224.06
Disposals	(9.89)	-	(9.89)
At March 31, 2024	82.82	217.21	300.03
Net book value			
At March 31, 2023	40.46	178.91	219.37
At March 31, 2024	15.61	-	15.61

Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
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5 Intangible assets under development

Intangible assets under development as at March 31, 2024 and March 31, 2023 comprise of business application development cost. Management is of the view that this intangible asset have satisfied technological and economic feasibility and also significant future economic benefits are expected to arise from this product.

The movement in account balance during the year is as follow:

	Amount
Cost	
At 1 April 2022	-
Additions	217.21
Capitalised	(199.87)
At March 31, 2023	17.34
Additions	-
Capitalised	(17.34)
At March 31, 2024	-

The ageing of Intangible assets under development is as below:

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
As at March 31, 2023					
Projects in progress	17.34	-	-	-	17.34
Projects temporarily suspended	-	-	-	-	-
Total	17.34	-	-	-	17.34

There are no projects which exceeded cost compared to its original plan as on March 31, 2024 and March 31, 2023.

6 Investments

	Non-Current investments*		Current investments	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(i) Investment carried at amortized cost				
a. Investment in Bonds/Commercial papers (Quoted)				
500 (March 31, 2023: 500) units of 5.78% NTPC Limited	-	518.27	525.90	-
550 (March 31, 2023: 550) units of 9.17% NTPC Limited	-	588.17	580.01	-
Nil (March 31, 2023: 250) units of 5.40% Bajaj Finance Limited	-	-	-	263.12
Nil (March 31, 2023: 250) units of 7.57% Aditya Birla Finance Limited	-	-	-	268.01
Nil (March 31, 2023: 250) units of 6.15% Aditya Birla Finance Limited	-	-	-	251.02
Nil (March 31, 2023: 650) units of 6.68% HDB Financial Services Limited	-	-	-	665.58
Nil (March 31, 2023: 750) units of 7.29% HDB Financial Services Limited	-	-	-	786.42

## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 6 Investments (Contd..)

	Non-Current investments*		Current investments	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Nil (March 31, 2023: 500) units of 5.00% Bajaj Housing Finance Limited	-	-	-	507.65
Nil (March 31, 2023: 250) units of 5.70% Bajaj Finance Limited	-	-	-	256.96
Nil (March 31, 2023: 250) units of 5.40% Housing Development Finance Corporation Ltd	-	-	-	257.43
Nil (March 31, 2023: 250) units of 9.08% LIC Housing Finance Limited	-	-	-	263.18
Nil (March 31, 2023: 250) units of 9.08% LIC Housing Finance Limited	-	-	-	262.98
Nil (March 31, 2023: 250) units of 5.50% Kotak Mahindra Prime Limited	-	-	-	255.96
Nil (March 31, 2023: 250) units of 5.50% Kotak Mahindra Prime Limited	-	-	-	255.94
Nil (March 31, 2023: 500) units of 5.40% Housing Development Finance Corporation Ltd	-	-	-	514.52
Nil (March 31, 2023: 500) units of 5.00% Bajaj Housing Finance Limited	-	-	-	507.60
Nil (March 31, 2023: 250) units of 5.00% Bajaj Housing Finance Limited	-	-	-	253.91
Nil (March 31, 2023: 200) units of 5.50% Kotak Mahindra Prime Limited	-	-	-	204.35
Nil (March 31, 2023: 500) units of 9.08% LIC Housing Finance Limited	-	-	-	525.82
Nil (March 31, 2023: 250) units of 6.68% HDB Financial Services Limited	-	-	-	255.94
Nil (March 31, 2023: 250) units of 6.68% HDB Financial Services Limited	-	-	-	256.01
Nil (March 31, 2023: 250) units of 5.00% Bajaj Housing Finance Limited	-	-	-	253.91
Nil (March 31, 2023: 350) units of 5.50% Kotak Mahindra Prime Limited	-	-	-	359.03
Nil (March 31, 2023: 2000) units of Mahindra & Mahindra Financial Services Ltd	-	-	-	971.07
Nil (March 31, 2023: 250) units of 5.00% Bajaj Housing Finance Limited	-	-	-	253.90
Nil (March 31, 2023: 3500) units of Tata Capital Financial Services Limited	-	-	-	1,697.55
Nil (March 31, 2023: 250) units of 9.08% LIC Housing Finance Limited	-	-	-	262.76
Nil (March 31, 2023: 250) units of 5.00% Bajaj Housing Finance Limited	-	-	-	253.71
Nil (March 31, 2023: 250) units of 5.50% Kotak Mahindra Prime Limited	-	-	-	253.50
Nil (March 31, 2023: 500) units of 5.00% Bajaj Housing Finance Limited	-	-	-	507.51
Nil (March 31, 2023: 100) units of 5.00% Bajaj Housing Finance Limited	-	-	-	101.46
Nil (March 31, 2023: 250) units of 5.10% Bajaj Housing Finance Limited	-	-	-	255.72

## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 6 Investments (Contd..)

	Non-Current investments*		Current investments	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Nil (March 31, 2023: 150) units of 5.49% Kotak Mahindra Prime Limited	-	-	-	151.31
Nil (March 31, 2023: 250) units of 5.14% NABARD	-	-	-	247.25
Nil (March 31, 2023: 250) units of 5.14% NABARD	-	-	-	247.21
Nil (March 31, 2023: 250) units of 5.53% NABARD	-	-	-	247.02
Nil (March 31, 2023: 150) units of 8.25% IRFC	-	-	-	156.61
Nil (March 31, 2023: 200) units of 8.70% PGC	-	-	-	212.84
Nil (March 31, 2023: 500) units of 6.40% NABARD	-	-	-	518.91
	-	1,106.44	1,105.91	13,763.67
<b>b. Investment in Certificate of Deposits (Unquoted)</b>				
6.70% Bajaj Finance Ltd FD 15M Cum Opt	-	-	-	526.52
6.90% Bajaj Finance Ltd FD 14M Cum Opt	-	-	-	833.88
6.95% Bajaj Finance Ltd FD 14M Cum Opt	-	-	-	156.26
7.40% HDFC Ltd FD 12M Cum Opt	-	-	-	518.04
	-	-	-	2,034.70
<b>c. Investments in Tata AIA Unit Linked Insurance Plan (Unquoted)</b>	-	-	-	1.87
<b>(ii) Investment carried at fair value through profit and loss</b>				
<b>Investment in Mutual Funds (Quoted)</b>				
Nil (March 31, 2023: 8,606,750) units of Nippon India Overnight Fund - Direct Growth Plan	-	-	-	1,035.94
Nil (March 31, 2023: 40,590,229) units of IDFC Low Duration Fund - Growth - Direct Plan	-	-	-	1,359.02
764,544 (March 31, 2023: 1,040,281) units of Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan	-	-	260.55	328.93
Nil (March 31, 2023: 183,339) units of HDFC Money Market Fund - Direct Plan - Growth Option	-	-	-	902.34
47,823 (March 31, 2023: Nil) units of HDFC Overnight Fund - Direct Plan - Growth Option	-	-	169.92	-
1,077,695 (March 31, 2023: Nil) units of Axis Liquid Fund - Direct Growth - CFDG	-	-	2,892.23	-
	-	-	3,322.70	3,626.23
<b>Total Investments</b>	-	1,106.44	4,428.61	19,426.47

	As at March 31, 2024	As at March 31, 2023
Aggregate book value of quoted investments	4,428.61	18,496.34
Aggregate Market value of quoted investments: Current	4,428.61	17,389.90
Aggregate Market value of quoted investments: Non - Current	-	1,106.44
Aggregate amount of unquoted investments	-	2,036.57

\* The Company has incorporated two entities namely Meesho Grocery Private Limited and Meesho Technologies Private Limited on 18 March 2024 and 22 March 2024 respectively. However, the infusion of share capital has been made subsequently during FY 2024-2025.



Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

7 Bank Balances Other than Cash and Cash Equivalents

	As at March 31, 2024	As at March 31, 2023
Non-current		
Balances with banks on deposit accounts with remaining maturity more than twelve months	8,114.77	5,750.00
	8,114.77	5,750.00
Current		
Balances with banks on deposit accounts with remaining maturity less than twelve months^	16,482.70	560.20
	16,482.70	560.20

^Amount of lien marked on deposits against Guarantees issued is INR 442.45 Millions as at March 31, 2024 (INR 490 Millions as at March 31, 2023)

8 Other Financial Assets

	As at March 31, 2024	As at March 31, 2023
Non-current		
Unsecured, considered good		
Security deposits	62.81	1.45
	62.81	1.45
Current		
Unsecured, considered good		
Marketplace related receivables	2,651.54	1,437.55
Interest accrued on deposits	1,547.35	110.51
Receivable from related parties (refer note 29 and 31)*	1,805.34	14.37
Security deposits	29.70	50.29
Others **	-	110.00
	6,033.93	1,722.72
Unsecured, considered doubtful		
Marketplace related receivables	83.05	31.13
Security deposits	10.80	10.80
Less: Allowance for doubtful balances	(93.85)	(41.93)
	-	-
	6,033.93	1,722.72

\* Includes INR 1,709.52 million receivable for year ended March 31, 2024 from Holding Company pertaining to buy back of employee stock options by the Holding Company. Refer note 31.

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

9 Income Tax Assets

	As at March 31, 2024	As at March 31, 2023
Non-current		
Tax deducted at source	404.28	265.39
	404.28	265.39

Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

10 Other Assets

	As at March 31, 2024	As at March 31, 2023
Non-current		
Prepaid expense	-	233.64
Balances with Government authorities	-	2,258.04
	-	2,491.68
Current		
Advances to suppliers	112.80	662.55
Prepaid expenses	149.78	495.94
Balances with Government authorities	2,031.92	1,465.92
	2,294.50	2,624.41

11 Trade Receivables

(Financial assets at amortised cost)

	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - unsecured	-	3.96
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	402.37	345.80
	402.37	349.76
Less: Loss allowance	(402.37)	(345.80)
Total Trade receivables	-	3.96

- (a) Trade receivables are non-interest bearing and are generally on terms upto 30 days.
- (b) There are no debts due from directors or other officers of the Company or any of them either severally or jointly with any other person or from firms or private companies, respectively, in which any director is a partner or a director or a member.
- (c) Trade receivables ageing schedule:

	Unbilled receivables	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2024							
Undisputed Trade receivables - considered good	-	-	-	-	-	-	-
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	43.44	69.95	120.85	168.13	-	402.37
	-	43.44	69.95	120.85	168.13	-	402.37
Less: Loss allowance	-	(43.44)	(69.95)	(120.85)	(168.13)	-	(402.37)
Total	-	-	-	-	-	-	-
March 31, 2023							
Undisputed Trade receivables - considered good	-	3.96	-	-	-	-	3.96



## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 11 Trade Receivables (Contd..)

	Unbilled receivables	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	293.29	15.59	14.70	22.22	-	345.80
	-	<b>297.25</b>	<b>15.59</b>	<b>14.70</b>	<b>22.22</b>	-	<b>349.76</b>
Less: Loss allowance	-	(293.29)	(15.59)	(14.70)	(22.22)	-	(345.80)
<b>Total</b>	-	<b>3.96</b>	-	-	-	-	<b>3.96</b>

There are no disputed trade receivables as at March 31, 2024 and March 31, 2023.

### 12 Cash and Cash Equivalents

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- On current accounts	616.29	952.24
- Deposits with original maturity of less than three months	750.00	-
Cash on hand	-	-
	<b>1,366.29</b>	<b>952.24</b>

### 13 Loans

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Unsecured, considered good		
Advance to employees	19.69	50.13
	<b>19.69</b>	<b>50.13</b>

- (a) There are no advances to directors or officers of the Company or any of them either severally or jointly with any other person or advance to firm or private companies in which any director is a partner or a director or a member, respectively.
- (b) There are no loans or advances in the nature of loans granted to promoters, directors, key managerial personnel or related parties, which are outstanding as at March 31, 2024 and as at March 31, 2023.

### 14 Equity Share Capital

	As at March 31, 2024	As at March 31, 2023
<b>Authorised shares Capital</b>		
100,000,000 (March 31, 2023:100,000,000) equity shares of Re. 1 each	100.00	100.00
	<b>100.00</b>	<b>100.00</b>
<b>Issued, subscribed and fully paid-up</b>		
78,349,851 (March 31, 2023: 78,349,851) equity shares of Re. 1 each	78.35	78.35
	<b>78.35</b>	<b>78.35</b>

## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 14 Equity Share Capital (Contd..)

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

	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount	Nos.	Amount
<b>Equity shares of Re. 1 each, fully paid-up</b>				
At the beginning of the year	7,83,49,851	78.35	6,24,80,247	62.48
Issued during the year	-	-	1,58,69,604	15.87
<b>At the end of the year</b>	<b>7,83,49,851</b>	<b>78.35</b>	<b>7,83,49,851</b>	<b>78.35</b>

#### (b) Terms/rights attached to equity shares

The Company has only one class of equity share, having a par value of Re. 1 per share. Each holder of Equity share 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. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### (c) Details of shareholding in the Company (including shareholders holding more than 5% shares in the Company)

	As at March 31, 2024		As at March 31, 2023	
	Nos.	% holding in the class	Nos.	% holding in the class
<b>Equity shares of Re.1 each, fully paid-up</b>				
Meesho Inc. (Holding Company)	7,83,49,850	99.99%	7,83,49,850	99.99%

#### (d) Details of equity shares of Re. 1 each fully paid up, held by promoters

	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
<b>March 31, 2024</b>					
Meesho Inc. (Holding Company)	7,83,49,850	-	7,83,49,850	99.99%	-
<b>March 31, 2023*</b>					
Meesho Inc. (Holding Company)	6,24,80,246	1,58,69,604	7,83,49,850	99.99%	25%

\*Pursuant to a Board Resolution dated 20 October 2023, basis legal opinion and in light of the facts and applicable provisions of the Companies Act, 2013, the Company concluded that Mr. Vinit 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 in the previous year.

- (e) There are no equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the balance sheet date.
- (f) For details of shares reserved for issue under the Employee share based payment of the company, please refer note 31.

## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 15 Other Equity

	As at March 31, 2024	As at March 31, 2023
<b>Share application money pending allotment [Refer Note (a) below]</b>		
Balance at the beginning of the year	-	2,273.70
Issue of shares during the year	-	(2,273.70)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Employee share based payment reserve (Holding Company Plan) [Refer Note (b) below]</b>		
Balance at the beginning of the year	3,581.96	2,523.94
Share based payment expense (Refer note 22)	2,516.27	1,058.02
<b>Balance at the end of the year</b>	<b>6,098.23</b>	<b>3,581.96</b>
<b>Securities premium</b>		
Balance at the beginning of the year	76,465.91	41,459.04
Premium on issue of shares during the year	-	35,009.39
Transaction costs on issue of equity shares	-	(2.52)
<b>Balance at the end of the year</b>	<b>76,465.91</b>	<b>76,465.91</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	(58,353.10)	(41,592.55)
Loss for the year	(3,049.56)	(16,750.13)
Other comprehensive income/(loss) for the year	(3.96)	(10.42)
<b>Balance at the end of the year</b>	<b>(61,406.62)</b>	<b>(58,353.10)</b>
<b>Total other equity</b>	<b>21,157.52</b>	<b>21,694.77</b>

(a) The Company had received share application money of INR 2,273.70 Millions during the year ended March 31, 2022 from its Holding Company. The Company had sufficient authorised share capital to cover the share capital amount on allotment of shares out of share application money and subsequently during the year ended March 31, 2023, the Company has allotted equity shares. These equity shares have same terms/rights as included in Note 14(b) above.

(b) The Company recognises grant date fair value of options issued to employees of the Company by the Holding Company over their vesting period. Refer note 31 for details.

### 16 Provisions

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Provision for employee benefits	142.96	114.92
Gratuity (refer note 27)	<b>142.96</b>	<b>114.92</b>
<b>Current</b>		
Provision for employee benefits		
Gratuity (refer note 27)	15.50	5.20
Compensated absences	75.99	208.41
	<b>91.49</b>	<b>213.61</b>

## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 17 Trade payables

(Carried at amortised cost)

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises ('MSME') (refer Note 30)	615.78	143.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,921.96	8,145.92
	<b>8,537.74</b>	<b>8,289.63</b>

(a) Trade payables are non-interest bearing and are generally settled up to 30 days

(b) Trade payables ageing schedule

	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>March 31, 2024</b>							
MSME	345.00	220.73	49.31	0.73	0.01	-	615.78
Others	5,309.47	2,144.79	461.77	4.28	1.65	-	7,921.96
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
	<b>5,654.47</b>	<b>2,365.52</b>	<b>511.08</b>	<b>5.01</b>	<b>1.66</b>	<b>-</b>	<b>8,537.74</b>
<b>March 31, 2023</b>							
MSME	107.71	23.39	12.61	-	-	-	143.71
Others	5,837.97	1,640.37	637.32	30.07	0.19	-	8,145.92
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
	<b>5,945.68</b>	<b>1,663.76</b>	<b>649.93</b>	<b>30.07</b>	<b>0.19</b>	<b>-</b>	<b>8,289.63</b>

### 18 Other Financial Liabilities

(Financial liabilities at amortised cost)

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Marketplace related payables	6,832.44	4,418.01
Employee benefits payable*	1,099.87	84.55
Payable for capital goods	80.81	-
Security deposits payable	292.82	26.03
	<b>8,305.94</b>	<b>4,528.59</b>

\*includes INR1,054.11 (March 31, 2023: Nil) payable to employees for employee share based options bought back by the Holding Company. Refer note 31.

### 19 Other Current Liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	1,290.42	496.52
	<b>1,290.42</b>	<b>496.52</b>

## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 20 Revenue from Operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from contract with customers</b>		
Sale of services*	76,149.48	57,345.19
	<b>76,149.48</b>	<b>57,345.19</b>

\* All the services provided during the year has been rendered at a point of time.

### 21 Other Income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Finance income		
Interest income on bank deposits, bonds and certificate of deposits	1,872.00	867.39
Interest income on security deposits (unwinding of discounting impact)	4.80	0.98
Support services to related party (refer note 29)	-	7.64
Profit on sale of current investments, net	289.09	513.81
Liabilities no longer required, written back	62.96	27.52
Interest on income tax refund	9.70	3.32
Net gain on disposal of property, plant and equipment	1.69	-
Fair value gain on investments at fair value through profit and loss	14.33	114.81
Other non operating income	47.15	12.14
	<b>2,301.72</b>	<b>1,547.61</b>

### 22 Employee Benefits Expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	4,768.16	5,906.26
Contribution to provident and other funds (refer note 27)	75.29	96.53
Gratuity expenses (refer note 27)	44.53	46.94
Employee share based payment expense	2,516.27	1,058.02
Staff welfare expenses	100.66	155.60
	<b>7,504.91</b>	<b>7,263.35</b>

### 23 Finance Costs

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on lease liabilities (refer note 32)	57.72	13.38
Interest expense (others)	6.00	-
	<b>63.72</b>	<b>13.38</b>

## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 24 Depreciation and Amortisation Expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment (refer note 3(a))	132.84	135.70
Amortisation of intangible assets (refer note 4)	224.06	52.53
Depreciation on Right-of-use assets (refer note 3(a))	224.12	110.22
	<b>581.02</b>	<b>298.45</b>

### 25 Other Expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Logistics and fulfilment expense	59,268.38	48,167.87
Advertising and sales promotion	4,592.90	9,278.00
Communication expenses	2,077.17	2,236.59
Server and software tools expenses	5,754.44	5,674.04
Contracted manpower	794.65	905.54
Payment gateway charges	211.07	120.32
Rent (refer note 32)	61.30	13.13
Legal and professional fees	248.40	462.59
Recruitment expenses	17.09	81.28
Allowance for doubtful balances	108.49	250.81
Payment to auditors (refer note (a) below)	9.30	6.81
Bad debts written off	-	8.68
Miscellaneous expenses	207.92	862.09
	<b>73,351.11</b>	<b>68,067.75</b>

(a) Payment to auditors (excluding taxes)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit fee	6.00	6.81
Limited review fee	1.50	-
Other services	1.80	-
	<b>9.30</b>	<b>6.81</b>

(b) As per section 135 of the Companies Act 2013, a company having net worth of rupees five hundred crore or more or turnover of rupees one thousand crore or more or net profit of rupees five crore or more during immediately preceding financial year ("threshold"), needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company has incurred losses and hence the requirement to spend on CSR as per the said section is not applicable to the Company.

### 26 Earnings/(loss) Per Share (EPS)

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

Diluted EPS amounts are calculated by dividing the profit 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.

## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 26 Earnings/(loss) Per Share (EPS) (Contd..)

The following reflects the loss and share information used in the basic and diluted EPS computations:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss for the year for calculation of basic/diluted EPS*	(3,049.56)	(16,750.13)
<b>Weighted average number of equity shares in calculating Basic/Diluted EPS</b>		
Equity shares of share Re.1 each	7,83,49,851	7,43,17,900
Basic / Diluted EPS	(38.92)	(225.38)

\*The impact of employee stock options is not included in computation of weighted average number of equity shares as the same is anti-dilutive.

### 27 Employee Benefit Plans

#### (a) Defined contribution plan

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised INR 75.29 Millions (March 31, 2023: INR 96.53 Millions) for Provident Fund contributions in the statement of profit and loss. The contributions payable to these schemes by the Company are at rates specified in the rules of the schemes.

#### (b) Defined benefit plan – Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is not externally funded. The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the plan.

#### Changes in the present value of defined benefit obligation:

	March 31, 2024	March 31, 2023
Obligations at year beginning	120.12	65.08
Current service cost	37.31	44.59
Interest cost	7.22	3.42
Benefits paid	(10.15)	(3.39)
Remeasurement of (gain)/loss in other comprehensive income:		
Actuarial loss arising from change in demographic assumptions	-	10.11
Actuarial loss/ (gain) due to financial assumption changes	0.69	(22.71)
Actuarial loss due to experience adjustments	3.27	23.02
<b>Obligations at year end</b>	<b>158.46</b>	<b>120.12</b>
Non-current	142.96	114.92
Current	15.50	5.20
<b>Total</b>	<b>158.46</b>	<b>120.12</b>

## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 27 Employee Benefit Plans (Contd..)

#### Net employee benefit expense (recognised in employee benefit expense in the statement of profit and loss)

	March 31, 2024	March 31, 2023
Current service cost (recognised in employee benefits expense)	37.31	44.59
Interest cost on benefit obligation (recognised in employee benefits expense)	7.22	3.42
Capitalised towards business application development cost	-	(1.07)
	<b>44.53</b>	<b>46.94</b>

#### Re-measurement gain/(loss) recognised in other comprehensive income

	March 31, 2024	March 31, 2023
Actuarial gain/(loss)		
Changes in financial assumptions	0.69	(22.71)
Changes in demographic assumptions	-	10.11
Experience variance (i.e. actual experience vs assumptions)	3.27	23.02
	<b>3.96</b>	<b>10.42</b>

#### Principal assumptions used in determining defined benefit obligation

	March 31, 2024	March 31, 2023
Discount rate	6.90%	7.00%
Salary escalation	10%	10%
Retirement Age	60 years	60 years
Attrition rate	28%	28%
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate

#### Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumptions, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	Decrease		Increase	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Impact on defined benefit obligation</b>				
Discount rate (1% change)	7.15	6.24	(6.63)	(5.76)
Salary escalation rate (1% change)	(5.69)	(5.24)	5.86	5.46
Attrition rate (1% change)	3.55	3.90	(3.46)	(3.76)

#### Maturity profile of defined benefit obligation (undiscounted)

	March 31, 2024	March 31, 2023
Within 1 year	15.50	5.20
Between 1 and 5 years	106.81	177.03
Beyond 6 years	71.53	294.65
<b>Total</b>	<b>193.84</b>	<b>476.88</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 3 years (March 31, 2023: 3 years).



# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

## 28 Contingent Liabilities and Commitments

### (a) Contingent liabilities

	March 31, 2024	March 31, 2023
Claims against the Company not acknowledged as debts		
GST dispute (note (i))	142.91	142.91
Landowner dispute (note (ii))	72.00	72.00
Vendor litigation (note (iii))	1,107.17	-
Bank Guarantees	400.00	490.00

- i)

The GST demand relates to applicability of TCS on the value of supplies made by reseller. The Company is contesting this demand and the management, based on expert advise, believes that its position will be likely be upheld in the appellate process and accordingly no provision has been accrued in these standalone financial statements for the demand raised. The management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the Company's financial position and results of operations.
- ii)

The Company has an ongoing dispute with Workshala, erstwhile landowner amounting to INR 72 million. The Arbitrator ruled out the petition by Workshala over technical grounds. Subsequently, Workshala has put a petition before the commercial court seeking for the arbitral award to be set aside. The commercial courts have subsequently set aside the arbitral award. The Company is in the process of appealing against the aforesaid judgement of commercial courts with the higher court. Based on legal advice, the management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the Company's financial position and results of operations.
- iii)

The Company had executed the private pricing addendum ("PPA") dated 25 February 2022 with Amazon Web Services India Private Limited ("AWS") for a period of two years, from 1 March 2022 to 29 February 2024. The PPA contained certain stipulations on spend commitment by the Company in consideration for obtaining the services available on the AWS platform. However, the Company faced stability and scalability issues with various services and despite bringing this to AWS's attention, AWS was unable to provide adequate support to resolve the issues and was unable to diagnose the underlying cause or provide a solution in relation to these services. Hence, AWS's failure to provide adequate support impacted Company business operations and forced to migrate workloads to other service providers. This forced migration of services resulted in the Company incurring additional costs in addition to the damages suffered by it due to deficiencies in services. As such, AWS is in breach of its obligations under the contract and the Company is not liable to pay the commitment invoice to AWS.

Therefore, the Company has denied and disputed the invoice raised by AWS since it had faced multiple issue in relation to the services offered by AWS. The Company, basis legal opinion, is of the view that it has strong merits with respect to the aforesaid dispute and believes that the ultimate outcome of the proceeding will not have a material adverse effect on the Company's financial position and results of operations. Accordingly, the disputed amount of INR 107.17 million is included under contingent liability.

- iv)

The Company is subject to various other legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management reasonably does not expect that these legal actions, when ultimately concluded and determined, will have material effect on the Company's results of operations or financial condition.

### (b) Commitments

- i)

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2024 is Nil (March 31, 2023: Nil)
- ii)

Refer note 32 with regards to lease commitments

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

## 28 Contingent Liabilities and Commitments (Contd..)

- iii)

The Company has significant commitments under Cloud and Technologies services related contracts as described below. The management is confident of meeting these commitments:vv

Sl. No.		Period	Commitment amount (USD million)
1	Google Cloud Platform	March 2022 to February 2026	150
2	Elastic Co.	July 2024 to November 2025	3.61
3	Databricks Inc	February 2024 to March 2025	3.96
4	Mixpanel	May 2024 to April 2025	1.78
5	Redislab	May 2024 to April 2025	1.9

## 29 Related Party Disclosures

### A. Names of related parties and description of relationships:

Names of related parties irrespective of whether transactions have occurred or not:

Entities where control exists	Nature of relationship
Meesho Inc., US	Holding Company
Meesho Grocery Private Limited (w.e.f 18 March 2024)	Subsidiary
Meesho Technologies Private Limited (w.e.f 22 March 2024)	Subsidiary
<b>Other related parties</b>	
Meesho Payments Private Limited, India	Fellow Subsidiary
PT Fashnear Technology Indonesia, Indonesia	Fellow Subsidiary
Fashnear Shenzhen Trading Co. Ltd, China	Fellow Subsidiary
Popshop Commerce Private Limited, India	Fellow Subsidiary
Meesho Foundation	Settlor of Trust
<b>Key management personnel</b>	
Mr. Vidit Aatrey	Director
Mr. Sanjeev Kumar	Director
<b>Other Key management personnel (KMP)</b>	
Mr. Dhiresb Bansal	Chief Financial officer
<b>Relative of KMP</b>	
Shikhar Aatrey	Relative of Director

### B. Related party transactions:

The transactions that have been entered into with related parties during the year are as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Issue of equity Shares (including securities premium)</b>		
Meesho Inc	-	35,025.26
<b>Support Services</b>		
Meesho Inc	-	7.64
<b>Deemed contribution in respect of employee stock options of Holding Company</b>		
Meesho Inc	2,516.27	1,058.02
<b>Recovery of expenses</b>		
Meesho Inc *	1,769.00	6.38
Meesho Payments Private Limited	21.97	-
<b>Compensation of key management personnel</b>		
Short term employee benefits	103.26	68.77
Post Employment benefits**	7.24	7.24
Employee share based payment expense	1,727.08	578.67
	<b>1,837.58</b>	<b>654.68</b>
<b>Contracted manpower</b>		
Shikhar Aatrey	0.51	-

\*Pertains to buy back of employee stock options by the Holding Company. Refer note 31.

\*\*As the liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key managerial personnel are not ascertainable and hence not included above.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

## 29 Related Party Disclosures (Contd..)

C. The balances receivable from or payable to related parties as at year end are as follows:

	As at March 31, 2024	As at March 31, 2023
Receivable from related parties		
Meesho Inc	1,783.37	14.37
Meesho Payments Private Limited	21.97	-
Employee benefits payable to KMP	283.00	20.00

### Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those prevailing in arm's length transactions. The outstanding balances are generally unsecured and interest free. There have been no guarantees provided or received for any related party balances.

## 30 Dues to Micro and Small Enterprises

The amount due to Micro and small enterprise in the "Micro, small and medium Enterprise Development Act, 2006" (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company on the basis of information disclosed by the suppliers. The disclosure relating to MSME are as under:

	As at March 31, 2024	As at March 31, 2023
Principal amount due to micro and small enterprise	609.78	143.71
Interest due on the above	6.00	-
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 year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest, specified under the MSMED Act, 2006.	6.00	-
The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	6.00	-
The amount of further interest remaining due and payable even in the succeeding period/years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	6.00	-

## 31 Employee Share Based Payment

Meesho Inc., the Holding Company has issued various option plan under the Meesho Inc. 2016 Stock Incentive Plan to eligible employees of the Group. The Plan is approved by its board and is only available to eligible employees subject to compliance with vesting conditions as applicable for respective plan. In accordance with Ind AS 102 - Share based payments, the necessary disclosures have been made for the year ended March 31, 2024 and March 31, 2023. The brief description of the various ESOP plans and terms and conditions are as follows:

- Time based vesting with 1 year cliff and monthly vesting after cliff period
- Performance and milestone based grants

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

## 31 Employee Share Based Payment (Contd..)

- a. Milestone grants to eligible employees with performance conditions – With respect to FY 24 performance grants, the conditions have been achieved and hence the entire tranche has vested fully. With respect to FY 25 performance grants, the management is of the view that the FY 25 grant performance conditions are likely to be achieved and accordingly, ESOP cost is accounted from the date of grant i.e. 28 November 2023.
- b. Performance grants with valuation milestones – The Board of Directors, via the resolution dated 28 November 2023 has extended the period of achieving the valuation milestone from September 2026 to September 2029. However, the management, basis internal estimate is confident that the milestone criteria would be achieved by September 2026 and has accordingly accounted for the ESOP cost in this regard based on external valuation report.

The details of activities under the various ESOP plans for employees of the Company is summarised below:

Meesho Inc. 2016 Plan	March 31, 2024			March 31, 2023		
	No. of options			No. of options		
	Time based vesting	Performance based vesting	Total for all plans	Time based vesting	Performance based vesting	Total for all plans
Options outstanding at the beginning of the year	28,72,096	35,21,041	63,93,137	22,24,037	33,21,262	55,45,299
Granted during the year	17,28,302	6,72,458	24,00,760	10,12,558	2,67,073	12,79,631
Forfeited during the year	(4,53,993)	(47,663)	(5,01,656)	(3,55,631)	(67,294)	(4,22,925)
Cancelled during the year**	(2,78,649)	(89,546)	(3,68,195)	(8,868)	-	(8,868)
Migrated (to) / from during the year***	(16,53,402)	(17,83,636)	(34,37,038)	-	-	-
Exercised during the year	-	-	-	-	-	-
Outstanding at the end of the year	22,14,354	22,72,654	44,87,008	28,72,096	35,21,041	63,93,137
Exercisable at the end of the year	15,56,219	25,06,203	40,62,422	18,14,046	20,24,659	38,38,705

\*Weighted Average Exercise Price is denominated in United state Dollars (USD).

\*\*The Holding Company, in the Board Resolution dated 30 March 2024, has cancelled 368,195 vested options of the eligible employees in exchange for payment of consideration in cash as per the stock option cancellation agreement. The aforesaid cancellation is a one off event and the plan continues to be equity settled and hence there is no modification of the underlying ESOP plan. The amount has been paid to the eligible employees subsequent to the year end and corresponding receivables from the Holding Company of INR 1,709.52 million has been accounted for in the books of the Company as disclosed in note 8 and note 29.

\*\*\*The board of directors of the Holding Company in the resolution dated 30 March 2024, the unvested stock options i.e. stock options vesting beyond 30 March 2025 of the eligible employees including founders granted under the 2016 Stock Incentive Plan have been replaced with stock options under the FTPL ESOP Plan 2024 with the same underlying vesting and performance conditions as granted in the 2016 Stock Incentive Plan. The conversion ratio for the replacement is 1:12266 options. Since the replacement of stock options has occurred on the last day of the financial year, no cost is required to be accounted under the FTPL ESOP Plan 2024 during the year ended March 31, 2024. The details of the plan and movement are included below:

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

## 31 Employee Share Based Payment (Contd..)

FTPL ESOP Plan 2024	March 31, 2024				March 31, 2023		
	No. of options				No. of options		
	Time based vesting	Performance based vesting	Total for all plans	Weighted Average Exercise Price for all plans*	Time based vesting	Performance based vesting	Total for all plans
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-
Migrated (to)/ from during the year	16,53,402	17,83,636	34,37,038	1.00	-	-	-
Adjustments for migration	3,76,791	4,04,169	7,80,961	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>20,30,193</b>	<b>21,87,805</b>	<b>42,17,999</b>	<b>1.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Exercisable at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

For the year ended March 31, 2024, 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 2.88 years.

	For the year ended March 31, 2024	
	Meesho Inc. 2016 Stock Incentive Plan	FTPL ESOP Plan 2024*
Fair value at grant date	2,139.64	-
Exercise price	12.43	-
Expected volatility	65%	-
Expected term	2.88	-
Expected dividends	Nil	-
Risk free interest rate (based on 5 year US Government bonds)	4.1%- 4.6%	-

\*There are no grants in the FTPL ESOP Plan 2024 during the year ended March 31, 2024.



# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
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## 31 Employee Share Based Payment (Contd..)

For the year ended March 31, 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.

	For the year ended March 31, 2023	
	Meesho Inc. 2016 Stock Incentive Plan	FTPL ESOP Plan 2024*
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%	-

## 32 Leases

The Company has lease contract for office space used in its operation. Leases are for a period 9 years, however management expects that 5 years would be reasonable based on historical trend. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are certain lease contracts that include extension and termination options. The Company also has certain leases with lease terms of twelve months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. There are no lease arrangements with variable lease payments.

Set out below are the carrying amounts of lease liabilities and the changes during the year:

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of the year	116.80	32.98
Additions during the year	695.61	185.82
Accretion of interest	57.72	13.38
Payments of lease liabilities	(114.09)	(115.38)
Termination of lease contract	(33.33)	-
<b>Balance at the end of the year</b>	<b>722.71</b>	<b>116.80</b>
Non-current	582.66	-
Current	140.05	116.80
<b>Total</b>	<b>722.71</b>	<b>116.80</b>

The Company has applied weighted average incremental borrowing rate of 8% per annum to lease liabilities recognised in the balance sheet. The undiscounted maturity analysis of lease liabilities is disclosed in Note 35(C). The following are the amounts recognised in the statement of profit and loss:

Particulars	March 31, 2024	March 31, 2023
Depreciation charge of right-of-use assets	224.12	132.84
Interest on lease liabilities	57.72	13.38
Expenses relating to short-term leases	61.30	13.13
Gain in termination of lease Contract	(3.47)	-
<b>Total amount recognised in profit or loss</b>	<b>339.67</b>	<b>159.35</b>

The Company had total cash outflows for leases of INR 114.09 Millions (March 31, 2023: INR 115.38 Millions) for the year ended March 31, 2024. The leases contain termination and extension periods exercisable by the Company, for which the related lease payments are included in lease liabilities only if the Company is reasonably certain to exercise these extension options or not to exercise the termination options.



# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

## 33 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". 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, no additional disclosures pertaining to the operating segments as per Ind AS 108 have been presented.

## 34 Deferred Tax

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Temporary differences attributable to:</b>		
<b>Deferred tax liabilities</b>		
Right of use asset	181.31	34.37
Provision for compensated absences	23.71	-
<b>Total deferred tax liabilities</b>	<b>205.02</b>	<b>34.37</b>
<b>Deferred tax assets</b>		
Provision for gratuity	49.44	37.14
Provision for compensated absences	-	64.17
Provision for bonus	12.25	14.39
Deferred tax on losses	16,804.26	17,068.12
Others	309.42	164.05
<b>Total deferred tax assets</b>	<b>17,175.37</b>	<b>17,347.87</b>
<b>Net deferred tax assets</b>	<b>16,970.35</b>	<b>17,313.50</b>

The Company has reviewed its deferred tax assets as at March 31, 2024 and March 31, 2023. The Company has unabsorbed depreciation losses, business losses and other temporary differences which give rise to deferred tax assets. However in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, no deferred tax assets (net) as at March 31, 2024 has been recognised.

## 35 Financial Instruments

### A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2024 are as follows:

	Amortized cost (Level 3)	Financial assets /liabilities at fair value through profit or loss (Level 1)	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Financial assets</b>					
i. Investments (refer note 6)	1,105.91	3,322.70	-	4,428.61	4,428.61
ii. Cash and cash equivalents (refer note 12)	1,366.29	-	-	1,366.29	1,366.29
iii. Bank balances other than cash and cash equivalents (refer note 7)	24,597.47	-	-	24,597.47	24,597.47
iv. Loans (refer note 13)	19.69	-	-	19.69	19.69
v. Other financial assets (refer note 8)	6,096.74	-	-	6,096.74	6,096.74
<b>Total assets</b>	<b>33,186.10</b>	<b>3,322.70</b>	<b>-</b>	<b>36,508.80</b>	<b>36,508.80</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

## 35 Financial Instruments(Contd..)

	Amortized cost (Level 3)	Financial assets /liabilities at fair value through profit or loss (Level 1)	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Financial liabilities</b>					
i. Lease liabilities (refer note 32)	722.71	-	-	722.71	722.71
ii. Trade payables (refer note 17)	8,537.74	-	-	8,537.74	8,537.74
iii. Other financial liabilities (refer note 18)	8,305.94	-	-	8,305.94	8,305.94
<b>Total liabilities</b>	<b>17,566.39</b>	<b>-</b>	<b>-</b>	<b>17,566.39</b>	<b>17,566.39</b>

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

	Amortized cost (Level 3)	Financial assets /liabilities at fair value through profit or loss (Level 1)	Financial assets / liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Financial assets</b>					
i. Investments (refer note 6)	16,906.68	3,626.23	-	20,532.91	20,532.91
ii. Trade receivables (refer note 11)	3.96	-	-	3.96	3.96
iii. Cash and cash equivalents (refer note 12)	952.24	-	-	952.24	952.24
iv. Bank balances (refer note 7)	6,310.20	-	-	6,310.20	6,310.20
v. Loans (refer note 13)	50.13	-	-	50.13	50.13
vi. Other financial assets (refer note 8)	1,724.17	-	-	1,724.17	1,724.17
<b>Total assets</b>	<b>25,947.38</b>	<b>3,626.23</b>	<b>-</b>	<b>29,573.61</b>	<b>29,573.61</b>
<b>Financial liabilities</b>					
i. Lease liabilities (refer note 32)	116.80	-	-	116.80	116.80
ii. Trade payables (refer note 17)	8,289.63	-	-	8,289.63	8,289.63
iii. Other financial liabilities (refer note 18)	4,528.59	-	-	4,528.59	4,528.59
<b>Total liabilities</b>	<b>12,935.02</b>	<b>-</b>	<b>-</b>	<b>12,935.02</b>	<b>12,935.02</b>

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The carrying value of cash and cash equivalents, trade receivables, trade payables, bank balance, loan, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of remaining financial instruments are determined on transaction date based on discounted cash flows calculated using lending/ borrowing rate. Subsequently, these are carried at amortized cost. There is no significant change in fair value of such liabilities and assets.

Fair value of quoted mutual funds is based on Net assets value ("NAV") as at the reporting date. The investments in bonds are valued by referring to market inputs including quotes, trades, poll, primary issuances for securities and /or underlying securities issued by the same or similar issuer for similar maturities and movement in benchmark security, etc.



## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 35 Financial Instruments (Contd..)

#### 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 prices)

**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 March 31, 2024 :

Particulars	As at March 31, 2024	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Investments in mutual funds	3,322.70	3,322.70	-	-

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

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

#### C Financial risk management

The Company has exposure to the Credit risk, Liquidity risk and Market risk

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.

##### i. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of Marketplace receivables, Investment, cash and cash equivalents, bank balances and other financial assets of the Company.

##### a) Marketplace Receivable

Marketplace receivables represent the outstanding amounts due to the company from transactions facilitated through its platform. These receivables arise primarily from the following sources:

- Sales to End Customers: Amounts due from end customers who purchase products through the marketplace.
- Vendor Transactions: Amounts due from vendors or suppliers for services provided by the marketplace, such as listing fees, advertising fees, and other service charges.

## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 35 Financial Instruments (Contd..)

The following table summarises the change in the provision for allowance for doubtful balances:

	March 31, 2024	March 31, 2023
Opening balance	387.73	200.39
Allowance made during the year	108.49	250.81
Reversal/write off during the year	-	(63.47)
<b>Closing balance</b>	<b>496.22</b>	<b>387.73</b>

#### b) Cash and cash equivalent, Investment and bank Balance

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.

#### ii. 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 table below provides details regarding the contractual maturities of financial liabilities:

As at March 31, 2024	Contractual cash flows		
	Less than 1 year	Within 1-5 years	Total
<b>Non-derivative financial liabilities</b>			
Trade payables	8,537.74	-	8,537.74
Lease liabilities	195.78	657.84	853.62
Other financial liabilities	8,305.94	-	8,305.94
	<b>17,039.46</b>	<b>657.84</b>	<b>17,697.30</b>

As at March 31, 2023	Contractual cash flows		
	Less than 1 year	Within 1-5 years	Total
<b>Non-derivative financial liabilities</b>			
Trade payables	8,289.63	-	8,289.63
Lease liabilities	121.79	-	121.79
Other financial liabilities	4,528.59	-	4,528.59
	<b>12,940.01</b>	<b>-</b>	<b>12,940.01</b>

## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 35 Financial Instruments (Contd..)

#### iii. 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.

#### a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's does not have any variable interest rate instruments, hence is not exposed to the risk of changes in market interest rate.

#### b. 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 March 31, 2024 and March 31, 2023 that are not hedged by a derivative instrument or otherwise are as follows:

Particulars	Amount in USD Millions		Amount in INR Millions	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial liabilities				
USD	0.89	2.54	70.41	208.89
<b>Total</b>	<b>0.89</b>	<b>2.54</b>	<b>70.41</b>	<b>208.89</b>

The sensitivity to a reasonably possible change in foreign exchange rate on profit or loss of the company is as below:

	March 31, 2024		March 31, 2023	
	5% Increase	5% decrease	5% Increase	5% decrease
Impact on profit/(loss) before tax	(3.52)	3.52	(10.44)	10.44

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

#### c. Price risk

The Company invests surplus funds in liquid mutual funds. The Company is exposed to market price risk arising from uncertainties about future values of the investment. The Company manages the equity price risk through investing surplus funds in liquid mutual funds on a short term basis.

#### iv. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to support its business and maximise shareholder value. The Company is financed by equity and carries cash and cash equivalents to meet its financial obligations. The Company does not have any borrowings.

## Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in Indian Rupees Millions, except as otherwise stated)

### 35 Financial Instruments (Contd..)

The Company's monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt a trade and other payables, lease liabilities less cash and cash equivalents, Bank balances other than cash and cash equivalents deposits and investments.

	As at March 31, 2024	As at March 31, 2023
Trade Payables	8,537.74	8,289.63
Lease liabilities	722.71	116.80
Less : Bank balances other than cash and cash equivalents	(24,597.47)	(6,310.20)
Less : Cash and cash equivalents	(1,366.29)	(952.24)
Less: Investments	(4,428.61)	(20,532.91)
<b>Net adjusted debt (A)</b>	<b>(21,131.92)</b>	<b>(19,388.92)</b>
Equity	21,235.87	21,773.12
<b>Total equity capital (B)</b>	<b>21,235.87</b>	<b>21,773.12</b>
<b>Total debt and equity (C = A+ B)</b>	<b>103.95</b>	<b>2,384.20</b>
<b>Gearing ratio (A / C)*</b>	<b>-</b>	<b>-</b>

\*Disclosed as nil since the same is negative, since the Company is funded majorly through own funds and equity investments

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

### 36 Ratios

The ratios for the years ended March 31, 2024 and March 31, 2023 are as follows:

Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% change	Reason for variance exceeding 25% as compared to the preceding year
Current ratio	Current assets	Current liabilities	1.67	1.86	-10%	Not Applicable as change is < 25%
Return on equity ratio	Net losses	Average shareholder's equity	(14.2%)	(126.4%)	-89%	On account of reduction of losses during the year
Trade payables turnover ratio	Other expenses	Average trade payables	8.71	6.30	38%	Change is due to increase in expenses but decrease in average trade payables.
Net capital turnover ratio	Revenue from operations	Working capital = current assets - current liabilities	6.21	4.90	27%	Change is due to significant increase in revenue in comparison to insignificant increase in working capital.
Net profit ratio	Net losses	Revenue from operations	(4.00%)	(29.21%)	-86%	Change is on account of increase in revenue and significant decrease in losses in current year.
Return on capital employed	Net losses before interest	Capital employed	(14.06%)	(76.87%)	-82%	Change is on account of reduction in losses during the year.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

## 36 Ratios (Contd..)

Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% change	Reason for variance exceeding 25% as compared to the preceding year
Return on investment Mutual funds	Investment Income	Weighted Average Cost of Investment (Mutual Fund)	7.37%	5.76%	28%	Change is on account of increase in return on mutual fund investments.
Certificate of Deposits, bonds	Investment Income	Weighted Average Cost of Investment	7.32%	6.35%	15%	Not Applicable as change is < 25%

**Note:**  
(a) Inventory turnover ratio, trade receivable ratio, debt equity ratio and debt service coverage ratio has not been disclosed as the Company does not have inventory, trade receivables or borrowings.

## 37 Other Statutory Information :

- (a) The Company does not have any Benami property nor any proceeding is pending against the Company for holding any Benami property.
- (b) The Company transacts with numerous suppliers and vendors for its market place business. The Company, on test check basis has verified the transactions with the suppliers and vendors and noted no transactions with struck off companies.
- (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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024  
(All amounts in Indian Rupees Millions, except as otherwise stated)

## 38 Subsequent Events:

Subsequent to the year ended March 31, 2024, the Board of Directors of the Company and its wholly owned subsidiaries Meesho Grocery Private Limited ('Resultant Company-1'), Meesho Technologies Private Limited ('Resultant Company-2') and Meesho Inc. ('Transferor Company'), have approved the Composite Scheme of Arrangement between the Company, Resultant Company-1, Resultant Company-2, Transferor Company and their respective shareholders and creditors (hereinafter referred to as "the Scheme") in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 to demerge the Grocery business and market place business from the Company to Resultant Company-1 and Resultant Company-2 respectively as well as transfer the business of Transferor Company to the Company. The Company has filed the scheme with the regulatory authorities and is awaiting the necessary approvals.

**39** As per the amended Rule 3 and 11(g) of the Companies (Accounts) Rules, 2014 (the "Accounts Rules"), Companies are required to maintain daily back-up of the books of account and other relevant books and papers which are maintained in electronic mode on servers physically located in India and accounting software used for maintaining its books of account should have a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

In respect of two applications, the Company does not have servers physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode and with respect to two applications backup has not been maintained on a daily basis but on a regular basis. Further, the Company has majorly used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the aforesaid softwares, except that incase of three applications audit trail feature is not enabled and in respect of one application, audit trail feature is not enabled for direct changes to data when using certain access rights. The management is in the process of taking steps to ensure that the books of account are maintained as required under the applicable statute.

**40** The figures of previous year were audited by a firm of Chartered Accountants other than S. R. Batliboi & Associates LLP.

As per our report of even date attached

**For S R Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm's Registration  
Number: 101049W/E300004

**per Rajeev Kumar**  
Partner  
Membership number: 213803

Place: Bengaluru, India  
Date: September 30, 2024

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

**Vidit Aatrey**  
Director  
DIN: 7248661

Place: Bengaluru, India  
Date: September 30, 2024

**Sanjeev Kumar**  
Director  
DIN: 7248672

**Dhiresb Bansal**  
Chief Financial Officer