12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of Sterne India Private Limited

Report on the Audit of the Standalone Financial Statements

Disclaimer of Opinion

We were engaged to audit the Standalone Financial Statements of Sterne India Private Limited ("the Company"), which comprise Balance Sheet as at March 31 2023, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying Standalone Financial Statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Standalone Financial Statements.

Basis for Disclaimer of Opinion

We draw attention to:

i. Note 28 to the Standalone Financial Statements of the Company, which describes that the Company is not in possession of certain supporting documents in respect of:

   a. various transactions of sales and purchases and related trade receivables, other receivables, trade payables, other payables, other advances and advance to suppliers in respect of the current year and previous years;
   b. write-off during the year, of unreconciled balances of trade receivables amounting to INR 2,892 lakhs; and
   c. recoverability of Goods and Service Tax (GST) paid under protest, of Rs 1,443 lakhs as at March 31, 2023.

   In the absence of such documentation, we were unable to obtain sufficient appropriate audit evidence for the purposes of our audit and, therefore, are unable to comment on the consequential adjustments, if any, that may be required to be made to the Standalone Financial Statements in this regard.

ii. Note 27 to the Standalone Financial Statements, regarding prior-period adjustments relating to net recognition of revenue on certain streams of income. In the absence of sufficient appropriate audit evidence in this regard, we are unable to comment on the completeness and correctness of such prior period items.

iii. Note 2.1 to the Standalone Financial Statements, regarding management's assessment of the ability of the Company to continue as a going concern. However, in the absence of future cash flow projections and sufficient appropriate audit evidence to support management's assessment in this regard, we are unable to comment on the Company's ability to continue as a going concern, and the consequential adjustments, if any, that may be required to be made to the Standalone Financial Statements in this regard.

S.R. Batliboi & Associates LLP Bengaluru

iv. Note 29 to the Standalone Financial Statements. The Company has engaged an external firm for Forensic Investigation of certain suspicious circular transactions, which is ongoing. Pending final outcome of such investigation, we are unable to comment on the consequential effects, if any, on the Standalone Financial Statements including in respect of revenues and purchases for the year, and trade receivables, other receivables, trade payables, other payables and advance to suppliers as at the year end, and any related adjustments pertaining to prior years.

Responsibilities of the 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, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our responsibility is to conduct an audit of the entity's Standalone Financial Statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Standalone Financial Statements.

We are independent of the entity in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.

Other Matter

The Standalone Financial Statements of the Company for the year ended March 31, 2022, included in these Standalone Financial Statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on October 15, 2022.

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.

S.R. Batliboi & Associates LLP Bengaluru

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

(a) We have sought, but for the reasons described in the Basis for Disclaimer of Opinion paragraph, we were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and unable to comment whether 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;

(c) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid Standalone Financial Statements comply with the Accounting Standards under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, as amended

(e) The matters described in the Basis for Disclaimer of Opinion above, in our opinion, may have an adverse effect on the functioning of the Company;

(f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above;

(h) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(i) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;

(j) 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. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to comment on impact of pending litigation on Standalone Financial Statements;

ii. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to comment on any long-term contracts including derivative contracts for which there could be 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;

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Bengaluru

iv. (a) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to comment whether any funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to comment whether any funds have been received by the Company from any person(s) or entity(ies), 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) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph we are unable to comment that the representations by management as mentioned in note 45(v) and 45(vi) of Standalone Financial Statement contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

S.R. Batliboi & Associates LLP
Bengaluru

per Sumit Mehra
Partner
Membership Number: 096547
UDIN: 24096547BKELXA7531

Place of Signature: Bengaluru
Date: February 23, 2024

Annexure '1' referred to in clause 1 of paragraph on "Report on Other Legal and Regulatory Requirements" of our report of even date on the Standalone Financial Statements of Sterne India Private Limited.

Statement on matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order")

Re: Sterne India Private Limited (the "Company")

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.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment, by which property, plant and equipment are verified in a phased manner. In accordance with the program, certain fixed assets were verified during the current year by the management and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its property, plant and equipment or intangible assets during the year ended March 31, 2023.

(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.

ii. (a) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph of main Audit Report, we are unable to comment on the appropriateness of the coverage and procedure of physical verification, and discrepancies of 10% or more in the aggregate for all class of inventory.

(b) As disclosed in note 7 to the Standalone Financial Statements, the Company has been sanctioned working capital limits in excess of INR five crores in aggregate from bank during the year on the basis of security of current assets of the Company and has not prepared and disclosed reconciliation between the quarterly returns filed with bank and quarterly trial balances as the Company is not in possession of quarterly trial balances. In the absence of aforesaid reconciliation, quarterly trial balances and due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph of main Audit Report, we are unable to comment on whether the quarterly returns/statements filed by the Company with such bank are in agreement with the audited books of account of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

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Bengaluru

iii. (a) During the year the Company has provided loan and stood guarantee to companies as follows:

Amount in INR lakhs

Particulars	Guarantees	Loans
Aggregate amount granted/provided during the year		
- Subsidiary		427
- Others	2,700	
Balance outstanding as at balance sheet date in respect of above cases		
- Subsidiary		427
- Others	2,700	

During the year the Company has not provided loans, advances in the nature of loans and security to firms, limited liability partnership or any other parties.

(b) During the year, the Company has not made any investments. The terms and conditions of the grant of loan to subsidiary and guarantees to others are not prejudicial to the Company's interest.

(c) The Company has granted loan during the year to subsidiary where the schedule of repayment of principal and payment of interest has been stipulated and no repayment had fallen due during the year.

(d) There are no amounts of loan granted to companies which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies which had fallen due during the year.

(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 companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.

iv. There are no loans, guarantees and security in respect of which provisions of Sections 185 of the Companies Act, 2013 are applicable and hence not commented upon. Further, according to the information and explanations given to us, provisions of Section 186 of the Companies Act, 2013 in respect of loans, investments and, guarantees, and security have been complied with by 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 Companies Act, 2013 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. The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products/services of the Company.

vii. (a) Undisputed statutory dues including goods and services tax, provident fund, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. The provisions relating to employees' state insurance is not applicable to the Company. 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.

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(b) The dues of goods and services tax, provident fund, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Goods and Services Tax Act, 2017	Goods and Services tax	1,443*	July 2017 to March 2022	Directorate General of Commercial Intelligence

* Amount paid under protest INR 1,443 lakhs.

Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph of main Audit Report, we are unable to comment on the completeness and recoverability of amount reported under this clause.

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. Accordingly, the requirement to report on clause 3(iii) of the Order is not applicable to the Company.

ix. (a) The Company has defaulted in repayment of dues to debenture holders during the year as stated below.

Amount in INR Lakhs

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid
Debenture	Trifecta Venture Debt Fund-II	999	Principal	16 days

(b) The Company has not been declared willful 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 any funds from any entity or person 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 subsidiary or associate companies. 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 complied with provisions of Sections 42 and 62 of the Companies Act, 2013 in respect of the private placement of shares during the year. The funds raised, have been used for the purposes for which the funds were raised.

S. R. Batliboi & Associates LLP Bengaluru

xi. (a) As mentioned in Basis for Disclaimer of Opinion paragraph of the main audit report and note 29 to the Standalone Financial Statements, the Company is currently investigating certain transactions pending the completion of which we are unable to comment whether fraud by the Company or on the Company has been noticed or reporting during the year.

(b) During the year, no report under Sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial 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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. Transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes 34 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 Companies Act, 2013 is not applicable to the Company.

xiv. (a) Though the Company is required to have an internal audit system under Section 138 of the Companies Act, 2013, it does not have the internal audit system commensurate with the size and nature of the business of the Company.

(b) We were unable to obtain any of the internal audit reports of the Company, hence the internal audit reports have not 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 is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(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 (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) 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 in the current and immediately preceding financial year amounting to INR.27,475 lakhs and INR 5,326 lakhs respectively. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to comment on the aforesaid cash losses.

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. As referred in 'Basis for Disclaimer of Opinion' paragraph in our main audit report and as disclosed in note 39 to the Standalone Financial Statements, which includes the financial ratios and ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and basis our knowledge of the Board of Directors and management plans, we are unable to comment on the Company capability 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.

S.R. Batliboi & Associates LLP
Bengaluru

xx. The Company has been incurring losses during the three immediately preceding financial year and hence, it is not required to spend any money under Sub-section 5 of Section 135 of the Companies Act, 2013. 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 Sumit Mehra
Partner
Membership Number: 096547
UDIN: 24096547BKELXA7531

S.R. Batliboi & Associates LLP
Bengaluru

Place of Signature: Bengaluru
Date: February 23, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF STERNE INDIA 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 were engaged to audit the internal financial controls with reference to Standalone Financial Statements of Sterne India Private Limited ("the Company") as of March 31, 2023, 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 ("ICAI"). 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 Companies Act, 2013.

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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls with reference to these Standalone Financial Statements of the Company.

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Disclaimer of Opinion

According to the information and explanation given to us and based on the significance of the matters described in the Basis for Disclaimer of Opinion section of our main report, the Company has not established its internal financial control with reference to Standalone Financial Statements on criteria based on or considering the essential components of internal control stated in the Guidance Note issued by ICAI. Because of the aforesaid reasons, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls with reference to Standalone Financial Statements as at March 31, 2023 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls with reference to these Standalone Financial Statements.

S.R. Batliboi & Associates LLP
Bengaluru

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by ICAI, as specified under Section 143(10) of the Act, the Standalone Financial Statements of Sterne India Private Limited Company, which comprise the Balance Sheet as at March 31, 2023, and the related Statement of Profit and Loss and the Cash Flow Statement for the year then ended, notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information, and our report dated February 23, 2024 expressed disclaimer of opinion. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Financial Statements of the Company, and this report affects our report dated February 23, 2024 which expressed disclaimer of opinion on these Standalone Financial Statements.

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

S.R. Batliboi & Associates LLP Bengaluru

per Sumit Mehra
Partner
Membership Number: 096547
UDIN: 24096547BKELXA7531

Place of Signature: Bengaluru
Date: February 23, 2024

Sterne India Private Limited

Standalone Balance Sheet as at March 31, 2023

(All amounts are in INR lakhs unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	13	7
Reserves and surplus	4	9,043	(1,326)
		9,056	(1,319)
Non-current liabilities			
Long-term borrowings	5	292	4,876
Long-term provisions	6	92	80
		384	4,956
Current liabilities			
Short-term borrowings	7	10,294	3,267
Trade payables	8		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,669	1,542
Other current liabilities	9	1,315	3,931
Short-term provisions	6	402	-
		17,680	8,740
TOTAL		27,120	12,377
ASSETS			
Non-current assets			
Property, plant and equipment	10 A	356	120
Intangible assets	10 B	-	475
Intangibles assets under development	10 C	30	-
Non-current investments	11	18	18
Other non-current assets	12	5,124	1,358
		5,528	1,971
Current assets			
Current investments	13	2,145	-
Inventories	14	3,047	1,829
Trade receivables	15	1,654	5,126
Cash and bank balances	16	9,390	793
Short-term loans and advances	17	4,236	629
Other current assets	18	1,120	2,029
		21,592	10,406
TOTAL		27,120	12,377
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the Standalone Financial Statements

As per our report of even date
for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sumit Mehra
Partner
Membership Number: 096547

Place: Bengaluru
Date: February 23, 2024

S.R. Batliboi & Associates LLP Bengaluru

for and on behalf of the Board of Directors of
Sterne India Private Limited
CIN:U74999KA2016PTC097331

Khushnud Khan
Director
DIN:05104685

Place: Bengaluru
Date: February 23, 2024

Rishiraj Singh Rathore
Director
DIN:07616101

Place: Bengaluru
Date: February 23, 2024

STERNE INDIA PVT LTD BANGALORE

Sterne India Private Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2023
(All amounts are in INR lakhs unless otherwise stated)

	Notes	March 31, 2023	March 31, 2022
Income			
Revenue from operations (net)	19	62,857	111,745
Other income	20	894	78
Total revenue		63,751	111,823
Expenses			
Purchase of traded goods	21	59,335	110,039
(Increase)/ decrease in inventories of traded goods	22	(1,218)	(1,094)
Employee benefits expense	23	8,548	2,805
Finance costs	24	1,655	495
Depreciation and amortization expenses	25	110	22
Other expenses	26	27,370	5,828
		95,800	118,095
Loss before tax and prior period items		(32,049)	(6,272)
Prior period items	27	-	-
Loss before tax		(32,049)	(6,272)
Tax expense	40		
- Current tax		-	-
- Deferred tax		-	-
Total tax expenses		-	-
Loss for the year		(32,049)	(6,272)
Loss per equity share [Nominal value of share INR 10 (March 31, 2022: INR 10]			
Basic & diluted	35	(272,897)	(53,870)
Weighted average number of shares used in computing loss per share		11,744	11,642
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the Standalone Financial Statements

As per our report of even date
for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sumit Mehra
Partner
Membership Number: 096547

Place: Bengaluru
Date: February 23, 2024

S.R. Batliboi & Associates LLP Bengaluru

for and on behalf of the Board of Directors of
Sterne India Private Limited
CIN:U74999KA2016PTC097331

Khushnud Khan
Director
DIN:05104685

Place: Bengaluru
Date: February 23, 2024

Rishiraj Singh Rathore
Director
DIN:07616101

Place: Bengaluru
Date: February 23, 2024

STERNE INDIA PVT LTD BANGALORE

Sterne India Private Limited

Standalone Cash Flow Statements for the year ended March 31, 2023

(All amounts are in INR lakhs unless otherwise stated)

	Notes	March 31, 2023	March 31, 2022
Cash flows from operating activities			
Loss before tax		(32,049)	(6,272)
Adjustment to reconcile loss before tax to net cash flows			
Depreciation and amortization	25	110	22
Intangible assets written off	26	492	-
Bad debt written off	26	2,892	
Provision for bad and doubtful debts	26	519	-
Provision for advances given to suppliers	26	514	-
Employee stock compensation expense	23	571	200
Interest expense	24	1,609	-
Interest Income	20	(473)	(20)
Interest Income on income tax refund	20	(4)	-
Gain on sale of current investments	20	(417)	(20)
Operating loss before working capital changes		**(26,236)**	**(6,090)**
Movements in working capital			
(Increase) in inventories		(1,218)	(1,094)
Decrease / (increase) in trade receivables		61	(3,608)
(Increase) in short term loans & advances		(3,694)	(973)
(Increase) in other current and non-current assets		(2,490)	(78)
Increase in trade payables		4,127	2,178
(Decrease)/ increase in other current and non-current liabilities		(2,220)	1,416
Net cash flow used in operating activities		**(31,670)**	**(8,249)**
Direct taxes paid (net of refunds)		(79)	-
Net cash flows used in operating activities (A)		**(31,749)**	**(8,250)**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets (including intangibles assets under development)		(394)	(585)
Interest received on bank deposit		195	20
Investments in bank deposits		(10,405)	(306)
Redemption/ maturity of bank deposits		4,306	-
Investment in subsidiaries		-	(18)
Unsecured loan given to subsidiary		(427)	
Purchase of current investments		(45,625)	-
Proceeds from sale of current investments		43,897	355
Net cash used in investing activities (B)		**(8,453)**	**(534)**
Cash flows from financing activities			
Proceeds from issue of equity shares		-	735
Proceeds from issue of preference shares		41,853	-
Interest paid on borrowings		(1,591)	-
Proceeds from long-term borrowings		1,000	6,899
Repayment of long-term borrowings		(4,140)	(365)
Proceeds from short-term borrowings		89,337	936
Repayment of short-term borrowings		(83,754)	(332)
Net cash flow from financing activities (C)		**42,705**	**7,873**
Net Increase/(decrease) in cash and cash equivalents (A+B+C)		2,503	(911)
Cash and cash equivalents at the beginning of the year		487	1,398
Cash and cash equivalents at the end of the year		**2,990**	**487**

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Sterne India Private Limited

Standalone Cash Flow Statements for the year ended March 31, 2023

(All amounts are in INR lakhs unless otherwise stated)

Components of Cash and cash equivalents	16		
Cash on Hand		-	1
Balance with Bank:			
-In current accounts		2,990	486
		2,990	487
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the Standalone Financial Statements

As per our report of even date
for S.R. Batliboi & Associates LLP
Chartered Accountants

per Sumit Mehra
Partner
Membership Number: 096547

Place: Bengaluru
Date: February 23, 2024

S.R. Batliboi & Associates LLP Bengaluru

for and on behalf of the Board of Directors of
Sterne India Private Limited
CIN:U74999KA2016PTC097331

Khushnud Khan
Director
DIN:05104685

Place: Bengaluru
Date: February 23, 2024

Rishiraj Singh Rathore
Director
DIN:07616101

Place: Bengaluru
Date: February 23, 2024

STERNE INDIA PVT LTD BANGALORE

1. Corporate information

Sterne India Private Limited (the Company), was incorporated on October 24, 2016 under the provisions of the Companies Act, 2013 ("the Act"). The registered office of the Company is located at Bangaluru. The Company provides business to business (B2B) e-commerce platform, enabling stores to buy consumer electronics at best price and equips them to offer bigger range of products. The Company also facilitates purchase and sales between external parties on Arzooo Platform where goods are shipped directly by the Sellers to Buyers and Company earn commission on same (P2P business).

2. Basis of preparation

The Standalone Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these Standalone Financial Statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read together with the Companies (Accounting Standards) Rules, 2021 and presentation requirements of Division I of Schedule III to the Companies Act, 2013. The Standalone Financial Statements have been prepared on an accrual basis and under the historical cost convention except employee stock compensation expense/payment.

The accounting policies adopted in the preparation of Standalone Financial Statements are consistent with those of previous year except as disclosed in note 27 of Standalone Financial Statements.

The comparative Standalone Financial Statements of the Company for the year ended March 31, 2022, audited by a firm of Chartered Accountants, other than S.R. Batliboi & Associates LLP.

Going Concern

During year ended March 31, 2023, the Company incurred net loss of INR 32,049 and has accumulated losses of INR 40,631 as at March 31, 2023. The Net worth of Company as at March 31, 2023 is INR 9,056. These losses have significantly weakened the financial position of the Company and its ability to meet the current operating expenses. The management plans to raise additional equity capital from existing investors and is evaluating certain other alternative avenues to generate the required cash flow. While on the date of signing of these Standalone Financial Statements there is no binding commitment given by any investors and management is unable to prepare future cash flow projections, however, based on the ongoing discussions with investors, management believes that it will have adequate cash flows to meet its operating requirements for the foreseeable future and realise its assets and discharge its liabilities in the normal course of business. Therefore, management has prepared these Standalone Financial Statements on the assumption that the Company will continue as a going concern, and no further adjustments have been made to the carrying values or classification of Balance Sheet accounts.

2.1 Summary of significant accounting policies

a) Use of estimates

The preparation of Standalone Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. 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 periods.

b) Property, Plant and Equipment

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

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Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing part, are charged to the statement of profit and losses for the period during which such expenses are incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

The Company identifies and determines cost of a component whose cost is significant to the total cost of the asset having useful life that is materially different from that of the main asset.

c) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its property, plant and equipment.

Asset Category	Useful life estimated by management (Years)
Computer	3
Office equipment	3
Furniture & fixtures	3
Leasehold Improvements	3 or the life based on lease period, whichever is lower

The management, on the basis of internal assessment of usage pattern and technological obsolescence, has determined that the useful lives of Office Equipment and Furniture & fixtures best represent the period over which management expects to use these assets. Hence, the useful lives are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

d) Intangible assets

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

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

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Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

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

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of amortization policies applied to the Company's intangible assets is as below:

Asset Category	Useful life estimated by management (Years)
Computer Software	3

e) Impairment of property, plant and equipments and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future undiscounted cash flows are considered. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

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f) Leases

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

g) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

h) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the Standalone Financial Statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) Inventories

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the first-in first-out basis.

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

j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

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(i) Sale of traded goods:

Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer, which coincides with the dispatch of goods. The Company collects Goods and Service Tax (GST) and other taxes on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

(ii) Gain/loss on P2P business (agency business)

The commissions are recognized at point in time when the services are rendered, which generally occurs when the customer's order for goods are processed and the goods are picked up from vendors for dispatch to the customer.

(iii) Income from logistic services:

Income from logistics services includes shipping services. Revenue from shipping services is recognized at a point in time when the products are delivered to customers.

(iv) Income from convenience fees:

Convenience fees pertains to fees charged to customers for facilitation of credit facility by third party lenders on Arzooo platform, at an agreed percentage of order value. Revenue from convenience fees is recognized upon execution of credit facility.

(v) Liquidation sales

Proceeds received on sale of traded goods damaged during shipment are classified as liquidation sale proceeds. Revenue is recognised when the damaged goods are handed over to the customer and all criteria for acceptance have been satisfied.

(vi) Licence fees

Revenue from licence fees is recognised as a fixed fees in accordance with the agreement entered into by the Company with its subsidiaries.

(vii)Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

k) Foreign currency transactions

Foreign currency transactions and balances
Initial recognition

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

Conversion

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

Exchange Difference

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous Standalone Financial Statements, are recognized as income or as expenses in the year in which they arise.

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l) Retirement and other employee benefits:

(i) Provident Fund:

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

(ii) Gratuity:

The Company has a defined benefit gratuity plan for its employees. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss. Actuarial valuation is carried out using the projected unit credit method.

(iii) Earned leave/ compensated absences:

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes.

m) Income taxes:

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. 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 recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

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n) Employees stock compensation:

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the fair value arrived using option pricing model. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

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

o) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

p) Provisions:

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

q) Contingent liabilities:

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

r) Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

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(All amounts are in INR lakhs unless otherwise stated)

3 Share Capital

	March 31, 2023	March 31, 2022
Authorised		
35,000 (Previous Year: 40,000) equity shares of par value of INR 10 each	4	4
50,000 (Previous Year: NIL) equity shares of par value of INR 1 each	1	-
10,000 (Previous Year: 10,000) Compulsory Convertible Preference Share ("CCPS") of INR 10 each	1	1
16,000 (Previous Year: 6,000) Compulsory Convertible Preference Share ("CCPS") of INR 100 each	16	6
	22	11
Issued		
11,744 (Previous year: 11,744) equity shares of par value of INR 10 each	1	1
5,544 (Previous year: 5,544) seed CCPS of INR 10 each	1	1
11,288 (Previous year: 5,374) series A & series B CCPS of INR 100 each	11	5
Subscribed and fully paid-up		
11,744 (Previous year: 11,744) equity shares of par value of INR 10 each	1	1
5,544 (Previous year: 5,544) seed CCPS of INR 10 each	1	1
10,958 (Previous year: 5,058) series A & series B CCPS of INR 100 each	11	5
Subscribed but not fully paid-up		
330 (Previous year: 316) series A & series B CCPS of INR 100 each of which is partly paid by INR 1	0	0
	13	7

Company has not issued equity Shares of par value of INR 1 each as on March 31, 2023 and March 31, 2022.

a **Reconciliation of the number of issued shares paid-up and amount outstanding at the beginning and at the end of the reporting year:**

i Reconciliation of share capital (Equity)

	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	11,744	1	11,501	1
Add: Issued during the year	-	-	243	0
	11,744	1	11,744	1

ii Reconciliation of CCPS (INR10 each)

	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	5,544	1	5,544	1
Add: Issued during the year	-	-	-	-
	5,544	1	5,544	1

iii Reconciliation of CCPS (INR 100 each)

	March 31, 2023		March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	5,374	5	5,188	5
Add: Issued during the year fully paid up	5,025	5	-	-
Add: Issued during the year partly paid up	14	0	186	0
Add: Debentures Converted into CCPS	875	1	-	-
	11,288	11	5,374	5

b **Terms/rights attached to equity shares**

The Company has two classes of equity shares having par valaue of INR 10 and INR 1 per share respectively. Each holder of equity shares of INR 10 par value is entitle to one vote per share. In the event of liquidation of Company, the holder of equity share of INR 10 par value will be entitle to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion of equity share of INR 10 par value helds by shareholder on fully diluated basis.

Each holder of equity shares of INR 1 par value is entitle to 1/10th of the voting right per share (for every 10 shares of INR 1 par value one voting right). In the event of liquidation of Company, the holder of equity share of INR 1 par value will be entitled to receive remaining assets in the proportion of 1/10th of the Company after distribution of all preferential amount. The distribution will be in proportion of 1/10th equity share of INR 1 par value hels by shareholder on fully diluated basis.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

c **Terms/rights attached to CCPS**

Seed CCPS of face value INR 10/- each

CCPS have a par value of INR 10 and each holder of CCPS has preferential treatment with regard to payment of 0.1% preferential cumulative dividend before payment to any class of equity shares. Preference shares will also have preferential rights to profits and capital. In the event of liquidation, the preference shareholders are eligible to receive in preference to other shareholders any proceeds of liquidation. Each Seed CCPS shall entitle the holder to the number of votes equal to the number of whole or fractional equity shares into which such Seed CCPS could then be converted respectively.

CCPS will be compulsorily converted into equity shares of INR 10 each as per the conversion ratio arrived at on the basis of conversion price [earlier of closing of initial public offer (if any) or 19/20 years from the date of allotment of such CCPS]. However, the holder shall have option to convert the said CCPS into equity shares at any time after the expiry of four years from the date of allotment, by giving notice to the Board of Directors of the Company, as per the conversion ratio arrived on the basis of market price.

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(All amounts are in INR lakhs unless otherwise stated)

3 Share Capital (contd.)

c Terms/rights attached to CCPS (contd.)

Series A CCPS of face value INR 100/- each

CCPPS have a par value of INR 100 and each holder of CCPPS has preferential treatment with regard to payment of 0.1% preferential cumulative dividend before payment to any class of equity shares. Preference shares will also have preferential rights to profits and capital. In the event of liquidation, the preference shareholders are eligible to receive in preference to other shareholders any proceeds of liquidation. Each Series A CCPS shall entitle the holder to the number of votes equal to the number of whole or fractional equity shares into which such Series A CCPS could then be converted respectively.

CCPS will be compulsorily converted into equity shares of INR 10 each as per the conversion ratio arrived at on the basis of conversion price [earlier of closing of initial public offer (if any) or 19/20 years from the date of allotment of such CCPS]. However, the holder shall have option to convert the said CCPS into equity shares at any time after the expiry of four years from the date of allotment, by giving notice to the Board of Directors of the Company, as per the conversion ratio arrived on the basis of market price.

Partly paid CCPS (INR 100 each) shall be issued to the Subscriber at the payment of INR 1/- (Indian Rupee One only) per Series A CCPS. The rights exercised by the holder shall be in accordance with Law i.e. exercisable to the extent of amount paid up.

Series B CCPS of face value INR 100/- each

CCPPS have a par value of INR 100 and each holder of CCPPS has preferential treatment with regard to payment of 0.1% preferential cumulative dividend before payment to any class of equity shares. Preference shares will also have preferential rights to profits and capital. In the event of liquidation, the preference shareholders are eligible to receive in preference to other shareholders any proceeds of liquidation. Each Series B CCPS shall entitle the holder to the number of votes equal to the number of whole or fractional equity shares into which such Series A CCPS could then be converted respectively.

CCPS will be compulsorily converted into equity shares of INR 10 each as per the conversion ratio arrived at on the basis of conversion price [earlier of closing of initial public offer (if any) or 19/20 years from the date of allotment of such CCPS]. However, the holder shall have option to convert the said CCPS into equity shares at any time after the expiry of four years from the date of allotment, by giving notice to the Board of Directors of the Company, as per the conversion ratio arrived on the basis of market price.

Subscribed but not fully paid series A & series B CCPS

Partly paid series A & series B CCPS (INR 100 each) shall be issued to the Subscriber at the payment of INR 1/- (Indian Rupee One only) per series A & series B CCPS. The rights to holder shall be available to the extent of amount paid up. The Company has not received any notice from the holders of CCPS and accordingly have not called for the remaining amount of the shares.

d The Company does not have any holding or ultimate holding company as at March 31, 2023 and March 31, 2022.

e Details of Shares held by Promoters

Equity shares of par value of INR 10 each

As at March 31, 2023

Promoter Name	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
Khushnud Khan	5,105	-51	5,054	43.03%	-0.44%
Rishiraj Singh Rathore	5,061	-	5,061	43.09%	0.00%
Total	10,166	-51	10,115	86.13%	-0.44%

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Equity Shares	% change during the year
Khushnud Khan	5,105	-	5,105	43.47%	-0.92%
Rishiraj Singh Rathore	5,061	-	5,061	43.09%	-0.91%
Total	10,166	-	10,166	86.56%	-1.83%

Promoters does not hold any shares in other classs of equity shares and CCPS as on March 31, 2023 and March 31, 2022.

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(All amounts are in INR lakhs unless otherwise stated)

3 Share Capital (contd.)

f Particulars of shareholders holding more than 5 percent of equity shares:

Name of the shareholder	March 31, 2023		March 31, 2022	
	Number of shares	% holding	Number of shares	% holding
Equity shares of par value of INR 10 each				
Rishiraj Singh Rathore	5,061	43.09%	5,061	43.09%
Khushnud Khan	5,054	43.03%	5,105	43.47%
3 Lines Rocket Fund L.P	1,153	9.82%	1,153	9.82%
	11,268	95.95%	11,319	96.38%
Seed CCPS of face value INR 10/- each				
Omphalos Ventures India LLP	2,737	49.37%	2,737	49.37%
Jabbar Internet Group Ltd	718	12.95%	718	12.95%
Ajay Prabhu	431	7.77%	431	7.77%
Vistra ITCL (India) Limited	351	6.33%	-	0.00%
Srinivas rai Anumolu	287	5.18%	287	5.18%
Mahesh Swaminathan	287	5.18%	287	5.18%
	4,811	86.78%	4,460	80.45%
Series A CCPS of face value INR 100/- each				
Vistra (ITCL) India Limited as trustee of Indusage Global Technology Venture Fund- II (India)	2,435	38.97%	1,876	34.91%
3Lines Arzooo SPV, LLC	593	9.49%	593	11.03%
Jabbar Internet Group LTD	579	9.27%	579	10.77%
Enam Investment & Services Pvt Ltd	388	6.21%	374	6.96%
3 Lines Rocket Fund L.P	346	5.54%	346	6.44%
	4,341	69.47%	3,768	70.12%
Series B CCPS of face value INR 100/- each				
SBI 4&5 Investment LPS	1,580	31.36%	-	-
Trifecta Leaders Fund -I	1,500	29.77%	-	-
SBI 4&5 II Investment LPS	920	18.26%	-	-
Arka, LLC	500	9.92%	-	-
Vistra (ITCL) India Limited as trustee of Indusage Global Technology Venture Fund- II (India)	300	5.95%	-	-
	4,800	95.26%	-	-

g For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 37.

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

i The Company has neither issued any bonus shares nor bought back any shares since the date of incorporation of the Company.

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(All amounts are in INR lakhs unless otherwise stated)

4 Reserves and surplus

	March 31, 2023	March 31, 2022
Securities premium		
Balance at the beginning of the year	7,056	6,321
Add: Addition during the year		
- on issue of equity shares	-	735
- on issue of preference shares	41,847	-
Balance at the end of the year (A)	48,903	7,056
Deficit in statement of profit and loss		
Balance at the beginning of the year	(8,582)	(2,310)
Add: Loss for the year	(32,049)	(6,272)
Balance at the end of the year (B)	(40,631)	(8,582)
Employee stock option reserve (refer note 37)		
Balance at the beginning of the year	200	-
Add: Stock compensation cost during the year	571	200
Balance at the end of the year (C)	771	200
Total Reserves and Surplus (A+B+C)	9,043	(1,326)

5 Long term borrowings

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Secured				
14.5% Non-convertible debentures (refer note 'a' below)	292	973	2,107	1,663
14% Non-convertible debentures (refer note 'b' below)	-	1,000	1,000	1,000
Unsecured				
Compulsorily convertible debentures (refer note 'c' below)	-	2,903	-	-
	292	4,876	3,107	2,663
Amount disclosed under the head				
Short-term borrowings (refer note 7)	-	-	(3,107)	(2,663)
Net Amount	292	4,876	-	-

Notes:

a) **14.5% Non-convertible debentures**

The Company has issued Indian Rupee non-convertible debentures of INR 1,000 in current year (INR 2,995 in previous year), carrying a coupon rate of 14.50% p.a. payable monthly and repaybale within 36 months from expiry of six months from date of disbursement as per schedule of repayment.

The debenture are secured against exclusive first charge over the fixed assets of the Company, both present and future, (including all IP, Brand etc.), pari-passu first charge over the entire current assets of the Company, both present and future, of the Company.

b) **14% Non-convertible debentures:**

The Company had issued Indian Rupee non convertible debentures of INR 2,000 in the previous year, carrying a coupon rate of 14% p.a. payable monthly and are repaybale in 18 months from the date of allotment.

The debenture are secured against first pari-passu charge on all existing and future current assets of the Company, second pari-passu charge on all existing and future fixed and intangible (including Brand & IP) assets, of the Company.

The Company has defaulted in repayment of dues to debenture holders during the year as stated below

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid
Debenture	Trifecta Venture Debt Fund-II	999	Principal	16 days

The Company does not have any continuing defaults in repayment of principal and interest as at the reporting date.

c) **Compulsorily convertible debentures**

The Company had issued unsecured compulsory convertible debentures each of a value of INR 2 aggregating INR 2,903 during the FY 2021-22. Upon satisfaction of terms and conditions mentioned in the agreement, the debentures were converted into compulsory convertible preference share ("CCPS" of Face Value INR 100) during the current year at a conversion price of INR 3 per CCPS. The debenture were not carrying any interest.

6 Provisions

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provision for gratuity (refer note 38)	92	80	11	-
Provision for compensated absences	-	-	75	-
Provision for sales returns	-	-	316	-
	92	80	402	-

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7 Short term borrowings

	March 31, 2023	March 31, 2022
Secured		
Trade credit loan (refer note 'a' below)	1,243	-
Overdraft facility from bank (refer note 'b' below)	437	-
Unsecured		
Trade credit loan (refer note 'a' below)	5,507	604
	7,187	604
Current maturities of long-term borrowings (refer note 5)	3,107	2,663
	10,294	3,267

a) **Trade credit loan:**

i) Secured

During the year, the Company has availed short term trade credit facility from financial institutions in the form of purchase financing carrying interest of 8.89% p.a. The loan is repayable within 90 days from the date of disbursement.

The aforesaid credit facilities are secured by an first pari-passu charge on current assets of the borrower (present & future) of the Company and further secured by a continuing corporate guarnatee from the Company.

ii) Unsecured

The Company has availed short term trade credit facility from Non Banking Financial Company and corporates in the form of purchase financing carring interest ranging between 12% p.a to 13.5% p.a. The loan is repayable between 30 to 90 days from the date of disbursement.

b) **Overdraft facility from bank:**

During the year, the Company has availed working capital credit facilities from bank having limit of INR 500. Bank overdraft is repayable on demand and carries an interest rate of 8.89% p.a. payable on a monthly basis. The aforesaid credit facilities are secured by first pari-passu charge on current assets of the Company (present & future) of the Company and further secured by a continuing corporate guarnatee from the Company.

The Company has not retained quarterly trial balances and details of quarterly returns filed with banks. Accordingly, management is not able to prepare and disclose the reconciliation between amounts reported in quarterly return and quarterly trial balance and resulting differences.

8 Trade payables

	March 31, 2023	March 31, 2022
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	5,669	1,542
	5,669	1,542
Trade payables		
Trade payables to related parties (refer note "34")	2,796	575
	2,796	575

Trade payables are non-interest bearing and are normally settled on 30 to 90 days.

Trade payables ageing schedule
As at March 31, 2023

		Outstanding for following periods from due date of payment				
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	4,448	-	-	-	4,448
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Provision for expenses	1,221	-	-	-	-	1,221
	1,221	4,448	-	-	-	5,669

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(All amounts are in INR lakhs unless otherwise stated)

Trade payables (contd.)
Trade payables ageing schedule
As at March 31, 2022

	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	1,145	78	-	-	1,223
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Provision for expenses	319	-	-	-	-	319
	319	1,145	78	-	-	1,542

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

Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") as at March 31, 2023 and March 31, 2022.

9 Other current liabilities

	March 31, 2023	March 31, 2022
Advance from Customers	253	1,230
Interest accrued but not due on borrowings	41	23
Statutory dues*	204	86
Employee benefit payables	481	6
Deferred revenue	56	-
Other payables**	280	2,587
	1,315	3,931

* Statutory dues includes provident fund, professional tax, and withholding taxes payable.

** Other payable includes an amount of INR 258 (March 31, 2022: 2,530) related to payables to suppliers for goods dispatched under P2P business (agency business).

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(All amounts are in INR lakhs unless otherwise stated)

10 Property, plant and equipment and intangible assets

A Property, plant and equipment

	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2022	Additions	Disposals (or) Written-Off	As at March 31, 2023	As at April 1, 2022	For the year	Disposals (or) Written-Off	As at March 31, 2023	As at March 31, 2023
Furniture and fixtures	5	32	1	36	1	6	1	6	30
Computer equipments	126	157	24	259	22	70	11	81	178
Office equipments	16	87	8	95	4	18	3	19	76
Leasehold Improvements	-	88	-	88	-	16	-	16	72
	147	364	33	478	27	110	15	122	356

	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2021	Additions	Disposals (or) Written-Off	As at March 31, 2022	As at April 1, 2021	For the year	Disposals (or) Written-Off	As at March 31, 2022	As at March 31, 2022
Furniture and fixtures	1	4	-	5	1	0	-	1	4
Computer equipments	25	101	-	126	4	18	-	22	104
Office equipments	8	8	-	16	2	2	-	4	12
	34	113	-	147	7	20	-	27	120

B Intangible asset

	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2022	Additions	Disposals (or) Written-Off*	As at March 31, 2023	As at April 1, 2022	For the year	Disposals (or) Written-Off	As at March 31, 2023	As at March 31, 2023
Technology platform & application	483	-	483	-	8	-	8	-	-
	483	-	483	-	8	-	8	-	-

	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2021	Additions	Disposals (or) Written-Off	As at March 31, 2022	As at April 1, 2021	For the year	Disposals (or) Written-Off	As at March 31, 2022	As at March 31, 2022
Technology platform & application	11	472	-	483	6	2	-	8	475
	11	472	-	483	6	2	-	8	475

* During the year March 31, 2023, the Company has carried out assessment for the use of Technology platform & application and noted technical obsolescence. Accordingly the same has been written off in the statement of profit and loss.

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(All amounts are in INR lakhs unless otherwise stated)

10 Property, plant and equipment and intangible assets (contd.)

C Intangible asset under development

	As at March 31, 2023	As at March 31, 2022
As at April 1, 2022	-	-
Additions	30	-
Capitalization	-	-
As at March 31, 2023	30	-

Ageing of Intangible asset under development

As at March 31, 2023

	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	30	-	-	-	30
Projects temporarily suspended	-	-	-	-	-
Total	30	-	-	-	30

As at March 31, 2022

	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Intangible asset under development includes SAP software purchased but not been put to use.

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(All amounts are in INR lakhs unless otherwise stated)

11 Non-current investments

	March 31, 2023	March 31, 2022
Investments in unquoted equity instruments of wholly owned subsidiaries:		
150,000 equity shares (March 31, 2022:150,000) of INR 10 each fully paid up held in Sharkfin Tech Private Limited	15	15
10,000 equity shares (March 31, 2022: 10,000) of INR 10 each fully paid up held in Falcon Internet Private Limited	1	1
10,000 equity shares (March 31, 2022: 10,000) of INR 10 each fully paid up held in Fastmile Express Private Limited	1	1
10,000 equity shares (March 31, 2022: 10,000) of INR 10 each fully paid up held in Gamma Internet Private Limited	1	1
	18	18
Aggregate amount of unquoted investments	18	18
Aggregate provision for diminution in value of investments	-	-

12 Other non-current assets

	March 31, 2023	March 31, 2022
Unsecured, considered good		
Security deposit	413	75
Balance with government authorities	4,706	1,283
Other bank balances		
Bank deposits with remaining maturity for more than 12 months	5	-
	5,124	1,358

13 Current investments

	March 31, 2023		March 31, 2022	
Investments in mutual funds (quoted)	Units	Amount	Units	Amount
HDFC Liquid Fund - Direct Plan - Growth Option	780	34	-	-
Bharat Bond FOF - Direct Plan Growth	15,270,144	1,792	-	-
Aditya Birla Sun Life Money Manager Fund - Growth Direct Plan	104,131	319	-	-
	15,375,055	2,145	-	-
Aggregate cost of quoted investments		2,145		-
Aggregate market value of quoted investments		2,230		-

14 Inventories

	March 31, 2023	March 31, 2022
Inventories of traded goods (Include Goods-in transit of INR 335 (March 31, 2022 INR 934))	3,047	1,829
	3,047	1,829

Note:
1. The Company trades in only one category of goods, i.e. electronic items.
2. Net off of provision created for slow moving, non-moving or damaged inventories amounting to INR 23 (March 31, 2022 : Nil)

15 Trade receivables

	March 31, 2023	March 31, 2022
Unsecured, considered good	1,654	5,126
Unsecured, considered doubtful	899	761
	2,553	5,887
Less: Provision for doubtful debts	(899)	(761)
	1,654	5,126
Trade receivables		
Trade receivables from related parties (refer note "34")	59	-
	59	-

Trade receivables are non-interest bearing and are generally settled within 30 days.

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(All amounts are in INR lakhs unless otherwise stated)

15 Trade receivables (contd.)

Trade receivables ageing schedule

As at March 31, 2023

	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables - considered good	-	-	2,553	-	-	-	2,553
Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Less: Provision for doubtful receivable	-	-	(899)	-	-	-	(899)
	-	-	1,654	-	-	-	1,654

Trade receivables ageing schedule

As at March 31, 2022

	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables - considered good	-	-	6,954	795	-	-	7,749
Undisputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Less: Provision for doubtful receivable	-	-		(761)	-	-	(761)
	-	-	6,954	34	-	-	6,988

16 Cash and bank balances

	March 31, 2023	March 31, 2022
Cash and cash equivalents:		
Cash on hand	-	1
Balance with banks		
- on current accounts	2,990	486
	2,990	487
Other bank balances:		
- Deposits with remaining maturity for less than 12 months	6,400	306
	9,390	793

17 Short-term loans and advances

	March 31, 2023	March 31, 2022
Unsecured, considered good		
Advances to suppliers	3,921	629
Provision for advances given to suppliers	(514)	-
	3,407	629
Other Advances*	402	-
Loans and advances to related parties** (refer note 34)	427	-
	4,236	629

* Other Advances relate to advances given to suppliers for goods procured under P2P business (agency business).

Disclosure of loan given, investment made or guarntee given or security provided as required under Section 186(4) of the Companies Act, 2013

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	March 31, 2023	March 31, 2022
Sharfin Tech Private Limited	7.50%	March 31, 2024	Unsecured	427	-

For details of guarantees given to related party, refer note 30.

18 Other current assets

	March 31, 2023	March 31, 2022
Income tax receivable (refer note 40)	102	75
Accrued interest on bank deposit	267	-
Interest accrued on loans and advances	11	-
Dues from related party	164	-
Other receivables*	576	1,954
	1,120	2,029

* Other Current assets includes net amount of INR 543 (March 31, 2022: INR 1,862) related to receivable from customers for goods dispatched under P2P business (agency business).

(All amounts are in INR lakhs unless otherwise stated)

19 Revenue from operations

Revenue from operations	March 31, 2023	March 31, 2022
a) Sale of products		
Traded goods	61,422	111,490

The Company trades in only one category of goods, i.e. electric goods vis mobile, television, refrigerator etc.

b) Sale of services		
Income from logistic services	715	-
Convenience fees	220	-
c) Other operating revenue		
Liquidation sales	418	-
Licence fees	70	-
Others	12	255
	62,857	111,745

20 Other Income

	March 31, 2023	March 31, 2022
Interest income on		
- Bank deposits	462	20
- Intercorporate loan	11	-
- Income tax refund	4	-
Gain on sale of current investments	417	20
Creditors written back	-	37
Miscellaneous income	-	1
	894	78

21 Purchases of traded goods

	March 31, 2023	March 31, 2022
Purchase of traded goods	59,335	110,039
	59,335	110,039

22 (Increase)/ decrease in inventories of traded goods

	March 31, 2023	March 31, 2022
Inventories of traded goods		
Inventories at the beginning of the year	1,829	735
Less: Inventories at the end of the year	(3,047)	(1,829)
	(1,218)	(1,094)

23 Employee Benefits Expense

	March 31, 2023	March 31, 2022
Salaries, wages and bonus	7,668	2,380
Contribution to provident fund and other funds (refer note 38)	126	47
Gratuity expense (refer note 38)	23	80
Employee stock compensation expense (refer note 37)	571	200
Staff welfare expenses	160	98
	8,548	2,805

24 Finance costs

	March 31, 2023	March 31, 2022
Interest expense	1,609	485
Bank charges	46	10
	1,655	495

25 Depreciation and amortization expenses

	March 31, 2023	March 31, 2022
Depreciation of tangible assets (refer note 10)	110	20
Amortization of intangible assets (refer note 10)	-	2
	110	22

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26 Other expenses

	March 31, 2023	March 31, 2022
Rent (refer note 36)	1,268	332
Freight outwards	7,048	2,299
Loss on P2P business (agency business) (refer note 27)	6,491	-
Outsourced manpower expenses	2,945	897
Legal and professional fees	1,546	125
Payment to auditor (refer note below)	45	33
Marketing and sales promotion expenses	1,199	498
Communication costs	31	17
Payment gateway charges	246	96
Traveling and conveyance	481	142
Office upkeep and maintenance	330	48
Information technology expenses	152	103
Recruitment charges	396	184
Insurance	61	26
Bad debt written off	2,892	-
Provision for bad and doubtful debts (refer note 28(b))	519	761
Provision for advances given to suppliers	514	-
Intangible assets writen off	492	-
Software expenses	414	192
Rates and taxes	184	6
Loan processing fees	97	52
Miscellaneous expenses	19	17
	27,370	5,828

*** Payment to auditor (exclusive of goods and service tax)**		
As auditor:		
Statutory audit fees	40	30
Tax audit fees	5	3
	45	33

27 Correction of prior period error relating to revenue recognition

The Company categorises its revenues under Three (3) Business Models as under:
i. Inventory Model wherein the Company purchases and holds inventories: and sells / dispatches to customers directly from warehouse.
ii. Falcon Model wherein the Company acts as an aggregator and purchases and dispatches goods (from warehouse) to fulfil multiple customer orders.
iii. Point to Point (P2P) Model wherein the Company facilitates purchase and sales between external parties on Arzooo Platform. Goods are shipped directly by the Sellers to Buyers.

In prior years, the Company recognised revenues on gross basis for all three Business Models.

During current year, the Company has reassessed that in respect of the P2P Business Model, the Company's position was that of an 'Agent', and not a Principal, as the Company does / did not have control over the inventories at any point of time during the shipment of goods and, is merely facilitating or rendering agency services towards purchase and sale of goods between Buyers and Sellers that are using Arzooo Platform. The Company's revenue from P2P Business Model is primarily in nature of gross margin (including negative margins to promote P2P Business Model) on purchase/sale, logistics income (if any) and volume discounts earned from Sellers (if any).

Pursuant to aforesaid change in determination of Principal and Agent role, the Company has recorded INR 6,491 as net loss in current year for P2P Business Model (entailing sale and purchase transactions amounting to INR 47,801 and INR 54,292 respectively on Arzooo Platform). The following is the summary of prior period adjustment to correct the above-mentioned error in respect of P2P business of the previous year:

	Amount as per Financial Statements for the year ended March 31, 2022 (as reported earlier) (A)	Corrections (B)	Corrected amount for the year ended March 31, 2022 (C)= (A)+(B)
Revenue from operations	111,490	(68,754)	42,736
Purchases of stock-in-trade	110,039	(68,854)	41,185
Changes in inventories of stock-in-trade	(1,094)	100	(994)
Net prior period items		-	

28 Non-availability of documents

a) The Company is not in possession of certain supporting documents such as Goods Inward, Outward Notes and Shipping Documents, with respect to various sales and purchases of goods, across the various business models that the Company engages in, in respect of the current year and previous years.

b) The Company has not maintained invoice-level details and reconciliation of opening and closing balances of trade receivables, other receivables, trade payables (net of discount receivables), other payables, other advances and advance to suppliers. Further, during current year, the Company has written-off of unreconciled balance of trade receivables amounting to INR 2,892 lakhs.

c) Other current assets include INR 1,443 lakhs deposited under protest with GST authorities as per the inquiry letters issued by Directorate General of GST Intelligence (DGGI), in respect of alleged ineligible input credit on invoices relating to period July 2017 to March 2022 not appearing in GSTR-2A due to non-filing of GSTR-1 by the vendors. The Company is not in possession of supporting shipping documents in respect of the underlying transactions.

29 Ongoing internal investigation on suspected circular transactions

During current year, the Company identified certain suspicious sale/purchase transactions in P2P Business Model on Arzoo platform wherein circular transactions (i.e. multiple transactions involving purchase and sale of same goods) were carried-out with related buyer and seller entities.

A preliminary review of these indicate that the Company recorded net income of INR 4 lakhs in the current year financial statements on such circular transactions amounting to approximately INR 9,292 lakhs. The Company has engaged an external Forensic Investigation Firm to carry out an investigation, which is ongoing, with an objective to determine extent of such circular transactions and to identify whether the aforesaid circular transactions could indicate any impropriety.

30 Capital commitments and contingent liabilities

a) Contingent liabilities:

i. Guarantee

During the year ended March 31, 2023, the Company has provided following guarantees:

a) to Capsave Finance Private Limited of 85% of loan facility provided to vendors amounting to INR 2,000 (March 31, 2022 : INR 500).

b) to ICICI Bank Limited for working capital facility to Fastmile Express Private Limited (subsidary company) amounting to INR 1,000 (March 31, 2022 :

ii. Litigations

During the year, the Company has deposited INR 1,443 under protest with GST authorities as per the inquiry letters issued by Directorate General of GST Intelligence (DGGI), in respect of alleged ineligible input credit on invoices relating to period July 2017 to March 2022 not appearing in GSTR 2A due to non-filing of GSTR-1 by the vendors. Based on the advice from the Company's legal counsel, management does not expect the outcome of these proceedings to have a any adverse effect on its financial position.

b) There are no capital commitments as at March 31, 2023 and March 31, 2022.

c) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2023 and March 31, 2022.

31 There are no un-hedged foreign currency exposure as at March 31, 2023 and March 31, 2022.

32 Expenditure In foreign currency (on accrual basis)

	March 31, 2023	March 31, 2022
Marketing Expenses	-	2
	-	2

33 There is no earning in foreign currency for the financial year March 31, 2023 and March 31, 2022.

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(All amounts are in INR lakhs unless otherwise stated)

34 Related party disclosures

a. Names of the related parties and related party relationship

Related parties where control exists

Name of the related parties	Nature of relationship
Falcon Internet Private Limited	Wholly owned subsidiary Company
Gamma Internet Private Limited	Wholly owned subsidiary Company
Fastmile Express Private Limited	Wholly owned subsidiary Company
Sharkfin Tech Private Limited	Wholly owned subsidiary Company
Key management personnel:	
Khushnud Khan	Director
Rishiraj Singh Rathore	Director
Hussam Munir Elias Khoury	Nominee Director (Till June 08, 2022)
Palepu Sudhir Rao	Nominee Director
Pallab Kumar Chatterjee	Nominee Director
Tomoyuki Nii	Nominee Director (from August 09, 2022)
Lavanya Ashok	Nominee Director (from June 15, 2022)

b. Transactions with the related parties

Name of the related parties	Relationship	Nature of transaction*	March 31, 2023	March 31, 2022
Khushnud Khan	Director	Managerial remuneration**	118	35
		Advances given	20	-
		Advances recovered	20	-
Rishiraj Singh Rathore	Director	Managerial remuneration**	79	30
		Advances given	7	3
		Advances recovered	17	-
Falcon Internet Private Limited	Wholly owned Subsidiary Company	Investment in subsidiary	-	1
		Reimbursement of expenses	9	-
		Rent expenses	182	-
		Advance given to supplier	199	9
Gamma Internet Private Limited	Wholly owned Subsidiary Company	Investment in subsidiary	-	1
		Purchase of traded goods	815	-
		Rent expenses	206	-
		Licence fees income	40	-
		Reimbursement of expenses	88	-
		Advance given to supplier	369	9
Fastmile Express Private Limited	Wholly owned Subsidiary Company	Investment in subsidiary	-	1
		Reimbursement of expenses	55	-
		Freight outward	5,586	1,052
Sharfin tech Private Limited	Wholly owned Subsidiary Company	Investment in subsidiary	-	15
		Unsecured loans given	427	-
		Interest income	11	-
		Licence fees income	10	-
		Reimbursement of expenses	60	
		Software expenses	32	-
		Payment gateway charges	48	2

* Amount of expenses and revenue are exclusive of taxes.

** Excludes liability toward accrued gratuity, these have been recognised in totality based on actuarial valuation and the amount specifically attributable to KMP cannot be identified separately.

c. Outstanding balances

Name of the Related Parties	Relationship	Nature of Transaction	March 31, 2023	March 31, 2022
Mr. Rishiraj Singh Rathore	Director	Advances given	-	10
Falcon Internet Private Limited	Wholly owned Subsidiary Company	Trade payable	182	-
		Advance to suppliers	207	9
Gamma Internet Private Limited	Wholly owned Subsidiary Company	Trade payable	206	-
		Trade receivables	47	-
		Dues from related party	96	-
		Advance to suppliers	378	9
Fastmile Express Private Limited	Wholly owned Subsidiary Company	Trade payable	2,407	575
Sharfin tech Private Limited	Wholly owned Subsidiary Company	Intercorporate loans given	438	-
		Trade receivable	12	
		Dues from related party	68	-
		Advance to suppliers	-	2
		Interest accrued on loans and advances	11	-

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 receivables/payables balances at the year-end are generally unsecured and interest free.

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(All amounts are in INR lakhs unless otherwise stated)

35 Loss Per Share:

The following reflects the loss and share data used in the basic and diluted loss per share computations:

Particulars	As at March 31, 2023	As at March 31, 2022
Loss after tax	(32,049)	(6,272)
Less: dividends on convertible preference shares & tax thereon	-	-
Net Loss for calculation of basic LPS (a)	(32,049)	(6,272)
Net profit as above	(32,049)	(6,272)
Add: interest on bonds convertible into equity shares (net of tax)	-	289
Net Loss for calculation of diluted LPS (b)	(32,049)	(5,982)
Weighted average number of equity shares for basic LPS (c)	11,744	11,642
Effect of dilution:		
Convertible preference shares	16,505	35,406
Stock options exercised under ESOP	-	-
Weighted average number of potential equity shares for DPS (d)	27,233	35,406
Basic loss per share (a/c)	(272,897)	(53,870)
Diluted loss per share (b/d)	(272,897)	(53,870)

Note - March 31, 2023: Since diluted earnings per share is increased when taking the convertible preference shares into account (from INR (2,72,897) to INR (1,17,685), the convertible preference shares are anti-dilutive and are ignored in the calculation of diluted earnings per share. Therefore, diluted loss per share is INR (2,72,897).

Note - March 31,2022: Since diluted earnings per share is increased when taking the convertible preference shares into account (from INR (53,870) to INR (16,896), the convertible preference shares are anti-dilutive and are ignored in the calculation of diluted earnings per share. Therefore, diluted loss per share is INR (53,870).

36 Leases

Operating lease: Company as lessee

The Company has taken office under cancellable operating leases, which are renewable on a periodic basis.

Future minimum rentals payable under cancellable operating leases are as follows:

	March 31, 2023	March 31, 2022
Within one year	321	257
After one year but not more than five years	224	545
More than five years	-	-

37 **Employee Stock Option Plan**

During the financial year ended March 31, 2018, Employee Stock Option Scheme 2018 (the "Scheme") was approved by the Board of Directors in their meeting held on January 30, 2018 and by the shareholders at Extra-ordinary General Meeting (EGM) held on February 21, 2018. The plan covers all employees of the Company and it is equity settled in nature. Under the scheme, 245,800 options have have been authorised for the grant. Employees of the Company were granted stock options of the Company, based upon seniority of the Employee, length of the service, performance record, merit of the Employee, future potential contribution by the Employee etc. Other details of the scheme are as:

Vesting period	4 years
Exercise period	10 years
Exercise price (INR)	0.01

Details of grant:

	March 31, 2023		March 31, 2022	
	Number	WAEP (INR)	Number	WAEP (INR)
Options outstanding at the beginning of year	44,354	0.01	-	-
Options granted during the year (Net)	53,662	0.01	47,284	0.01
Options exercised during the year	-	-	-	-
Options lapsed during the year	(1,075)	0.01	(2,930)	-
Options outstanding at the end of year	96,941	0.01	44,354	0.01
Exercisable at the end of the year	23,700		6,437	

The fair value of the options granted was determined after applying a Discounted Lack of Marketability (DLOM) of 15% at value arrived for equity shares issued by the Company in the most recent round of funding using a Discounted Cash Flow (DCF) Method. Following are the equity value used in computing the fair value of options:

Particulars	March 31, 2023	March 31, 2022
Ordinary share value on marketable basis (INR)	775,128	302,284
Discount for Lack of Marketability (DLOM)	15%	15%
Adjusted equity fair value (INR)	658,859	256,941
Adjusted ESOP fair value (INR)	6,589	2,569

(All amounts are in INR lakhs unless otherwise stated)

38 The company operates two defined plans, viz., provident fund, gratuity and post employment benefits plan for its employees.

A **Defined contribution plans**

a **Provident fund**

The Company makes provident fund contributions to defined contribution plan administered by the regional provident fund commissioner. Under this plan, the Company is required to contribute a specified percentage of payroll cost to fund the benefits in respect of qualifying employees. The contributions payable by the Company are in accordance with rules framed by the Government of India from time to time.

During the year the Company has recognized the following amounts in the statement of profit and loss:-

Particulars	March 31, 2023	March 31, 2022
Employers contribution to provident fund	126	47

b **Gratuity and other post employment benefit plan**

The Company has a defined benefit gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. The Scheme is unfunded.

i Expenses recognized in Statement of profit and loss

Particulars	March 31, 2023	March 31, 2022
Current service cost	164	80
Interest cost	5	-
Net actuarial (gain) recognized during the year	(147)	-
Net benefit expenses	23	80

ii Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2023	March 31, 2022
Present value obligation as at the beginning of the year	80	-
Interest cost	5	-
Current service cost	164	80
Actuarial (gain) on obligations	(147)	-
Present value obligation as at the end of the year	103	80
Amount classified as:		
Short term provision (refer note 6)	11	0
Long term provision (refer note 6)	92	80

iii The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Company's plans are shown below:

	March 31, 2023	March 31, 2022
Discount rate (per annum)	7.20%	6.84%
Expected rate of increase in compensation levels	15%	15%
Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement age	58	58
Average attained age	32.79 years	33.10 years
Withdrawal rate	30%	12%

The discount rate assumed is determined by reference to market yield at the balance sheet date on government bonds. The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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(All amounts are in INR lakhs unless otherwise stated)

39 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
a) Current Ratio	Current Assets	Current Liabilities	1.22	1.19	2.57%	
b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	1.17	(6.17)	-118.93%	Variance is on account of issue of CCPS during the year.
c) Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest + Principal Repayments	(0.30)	(5.12)	-94.12%	Variance is on account of increase in repayment of borrowings.
d) Return on Equity Ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	(8.28)	(4.65)	78.24%	Variance is on account of increase in losses incurred by the Company during the year.
e) Inventory turnover ratio	Cost of goods sold	Average Inventory	23.84	84.98	-71.95%	Variance is on account of decrease in sales due to correction of prior period error relating to revenue recognition (refer note 27).
e) Trade Receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	18.54	26.27	-29.43%	Variance is on account of decrease in sales due to correction of prior period error relating to revenue recognition (refer note 27).
f) Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	16.46	64.05	-74.31%	Variance is on account of decrease in purchase due to correction of prior period error relating to revenue recognition (refer note 27).
g) Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	16.29	67.11	-75.72%	Variance is on account of decrease in sales due to correction of prior period error relating to revenue recognition (refer note 27).
h) Net profit ratio	Net Profit	Net sales = Total sales - sales return	(0.51)	(0.06)	808.41%	Variance is on account of decrease in sales due to correction of prior period error relating to revenue recognition (refer note 27).
i) Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	(1.55)	(0.85)	82.74%	Variance is on account of increase in loss during the year.
j) Return on investment						
- Mutual FUNDS	Gain on sale of mutual fund	Investment	0.01	-	NA	Variance is on account of fresh investments in mutual fund made during the year.
- Fixed Deposits	Interest income on fixed deposit	Average fixed deposit	0.14	0.03	349.56%	Variance is on account of increase in fixed deposits made during the year.
- Loans	Interest income on Loan	Average loan balance	0.05	-	NA	No loans were given during the previous year.

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40 Non-current Income tax assets (net)

The Company has no taxable income for the year ended March 31, 2023 and March 31, 2022 and accordingly, provision for taxation has not been made.

No deferred tax asset has been recognized as at the year-end, due to lack of probability that there would be adequate future taxable income available against which such deferred tax asset can be realized.

41 Segment reporting

The Company is predominantly engaged in the business of trading of electric goods. Revenue from operations constitute a single business segment and is governed by similar set of risks and returns. The operations of the Company primarily cater to the market in India, which the management views as a single segment. The management monitors the operating results of its single segment for the purpose of making decisions about resource allocation and performance assessment.

42 Corporate Social Responsibility (CSR)

The Company is not required to contribute towards Corporate Social Responsibility as required by Schedule VII of the Act, as the Company does not meet criteria specified in the applicable rules and regulations relevant for contribution towards CSR.

43 Maintenance of books of accounts

As per the MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all times. Also, the Companies are required to maintain such back-up of accounts on servers which are physically located in India, on a daily basis.

The books of account along with other relevant records and papers of the Company are currently maintained in electronic mode. These are readily accessible in India at all times and currently a back- up is not maintained on servers on a daily basis. The Company is in the process of complying with the requirement of maintaining back-up of books of account and other relevant books and papers on server(s) physically located in India on a daily basis, pursuant to the amendment.

45 **Other statutory information**

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(iii) There are some charges created on company assets and all of them were registered and in satisfaction with ROC with in the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other persons(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writing or otherwise, that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

44 The Company has delayed in conducting the Annual General Meeting ('AGM') and filing of annual report as per the relevant provisions of the Companies Act 2013 ('the Act') for the financial year ended March 31, 2023. The management of the Company is in the process of filing for compounding of defaults under the Act and is confident that required condonance would be received and penalties, if any that would be imposed on the Company will not be material to the Standalone Financial Statements.

45 **Previous year figures**

The figures of the previous year have been regrouped/ reclassified, wherever necessary, to conform with the current year classification. The comparative Standalone Financial Statements of the Company for the year ended March 31, 2022, audited by a firm of Chartered Accountants, other than S.R. Batliboi & Associates LLP.

The accompanying notes are an integral part of the Standalone Financial Statements

As per our report of even date
for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Sumit Mehra
Partner
Membership Number: 096547

Place: Bengaluru
Date: February 23, 2024

S.R. Batliboi & Associates LLP Bengaluru

STERNE INDIA PVT LTD BANGALORE

for and on behalf of the Board of Directors of
Sterne India Private Limited
CIN:U74999KA2016PTC097331

Khushnud Khan
Director
DIN:05104685

Place: Bengaluru
Date: February 23, 2024

Rishiraj Singh Rathore
Director
DIN:07616101

Place: Bengaluru
Date: February 23, 2024