

**1908 E-Ventures Private Limited**  
**Balance Sheet as at 31st March, 2021**  
[Currency: Indian Rupees(Rs.)]

| Particulars  | Notes | As at 31st March, 2021 | As at 31st March, 2020 |
|--|-------|------------------------|------------------------|
| <b>I ASSETS</b>  |       |                        |                        |
| <b>(1) Non-current assets</b>  |       |                        |                        |
| (a) Property, Plant and Equipment  | 3     | 7,38,252               | 6,94,465               |
| (b) Intangible assets  | 3     | 55,61,878              | 1,04,763               |
| (c) Deferred tax Assets (Net)  | 4     | 81,65,446              | 81,65,446              |
| (d) Non-current financial assets   | 5     | 2,52,378               | 4,74,594               |
| (e) Other non-current tax assets   | 6     | 1,38,253               | 4,58,647               |
| (f) Other non-current assets   | 7     | 11,004                 | 15,133                 |
|  |       | <b>1,48,67,211</b>     | <b>99,13,048</b>       |
| <b>(2) Current assets</b>  |       |                        |                        |
| (a) Inventories  | 8     | 1,68,09,604            | 74,12,151              |
| (b) Financial Assets   |       |                        |                        |
| (i) Trade receivables  | 9     | 49,61,318              | 34,65,198              |
| (ii) Cash and cash equivalents   | 10    | 2,12,620               | 8,95,556               |
| (iii) Other current financial assets   | 11    | 16,949                 | 1,81,851               |
| (c) Other current assets   | 12    | 89,86,308              | 38,65,479              |
|  |       | <b>3,09,86,799</b>     | <b>1,58,20,235</b>     |
|  |       |                        |                        |
| <b>Total Assets</b>  |       | <b>4,58,54,010</b>     | <b>2,57,33,283</b>     |
|  |       |                        |                        |
| <b>II EQUITY AND LIABILITIES</b>   |       |                        |                        |
| <b>Equity</b>  |       |                        |                        |
| (a) Equity Share capital   | 13    | 3,19,93,290            | 1,80,41,150            |
| (b) Other Equity   | 14    | (6,27,93,926)          | (5,71,52,023)          |
|  |       | <b>(3,08,00,636)</b>   | <b>(3,91,10,873)</b>   |
| <b>LIABILITIES</b>   |       |                        |                        |
| <b>(1) Non-current liabilities</b>   |       |                        |                        |
| (a) Financial Liabilities  |       |                        |                        |
| (i) Long-term borrowings   | 15    | 3,08,21,780            | 2,23,97,242            |
| (b) Long-term provisions   | 16    | 12,33,428              | 10,23,460              |
|  |       | <b>3,20,55,208</b>     | <b>2,34,20,702</b>     |
| <b>(2) Current liabilities</b>   |       |                        |                        |
| (a) Financial Liabilities  |       |                        |                        |
| (i) Short-term borrowings  | 17    | 2,57,96,419            | 2,73,80,316            |
| (ii) Other trade payables  | 18    | 1,59,95,085            | 1,07,33,022            |
| (iii) Other current financial liabilities  | 19    | 24,51,713              | 30,48,239              |
| (b) Short-term provisions  | 20    | 3,56,221               | 2,61,877               |
|  |       | <b>4,45,99,438</b>     | <b>4,14,23,454</b>     |
|  |       |                        |                        |
| <b>Total Equity and Liabilities</b>  |       | <b>4,58,54,010</b>     | <b>2,57,33,283</b>     |
|  |       |                        |                        |
| The accompanying notes are integral part of the financial statements (all amounts in Rupees) |       |                        |                        |
| In terms of our report on even date attached   |       |                        |                        |

**For Sunil Modi & Co**  
Chartered Accountants  
Firm Registration No. 142806W

**For and on behalf of the Board of Directors**

**Sunil Modi**  
Partner  
Membership No. 042562  
UDIN: 21042562AAAABM1430  
Place : Mumbai  
Date : 24 May 2021

**Deep A. Lalvani**  
Chairman  
DIN: 01771000  
Place : Mumbai  
Date : 24 May 2021

**Ninotchka Malkani Nagpal**  
Director  
DIN: 00031985

**1908 E-Ventures Private Limited**  
**Statement of Profit and Loss**  
**For the year ended 31st March, 2021**  
[Currency: Indian Rupees(Rs.)]

| Particulars   | Notes | 2020-21              | 2019-20              |
|---|-------|----------------------|----------------------|
| Revenue from operations   | 22    | 2,45,15,920          | 1,76,01,054          |
| Other income  | 23    | 30,01,885            | 49,70,563            |
| <b>Total income</b>   |       | <b>2,75,17,805</b>   | <b>2,25,71,617</b>   |
| <b>Expenses</b>   |       |                      |                      |
| Purchases of Stock-in-Trade   | 24    | 2,54,34,939          | 1,49,32,034          |
| Changes in inventories  | 25    | (93,96,849)          | 21,15,772            |
| Employee benefits expense   | 26    | 1,02,71,770          | 1,04,96,973          |
| Finance costs   | 27    | 53,39,040            | 51,90,448            |
| Depreciation and amortisation expense   | 3     | 8,11,092             | 5,86,287             |
| Other expenses  | 28    | 2,57,01,321          | 1,66,69,864          |
| <b>Total expenses</b>   |       | <b>5,81,61,313</b>   | <b>4,99,91,378</b>   |
| <b>Profit before exceptional items and tax</b>  |       | <b>(3,06,43,508)</b> | <b>(2,74,19,761)</b> |
| Exceptional items   |       | -                    | -                    |
| <b>Profit before tax</b>  |       | <b>(3,06,43,508)</b> | <b>(2,74,19,761)</b> |
| Tax expense   |       |                      |                      |
| (1) Current tax   |       | -                    | -                    |
| (2) Deferred tax asset/(liability)  |       | -                    | (68,695)             |
| <b>Profit for the year</b>  |       | <b>(3,06,43,508)</b> | <b>(2,74,88,456)</b> |
| <b>Other comprehensive income:</b>  |       |                      |                      |
| <b>Items that will not be reclassified to profit or loss</b>                                    |       |                      |                      |
| Remeasurement of net defined benefit liability  |       | 36,630               | (1,66,986)           |
| Income tax relating to items not reclassified   |       | -                    | -                    |
| <b>Items that will be reclassified subsequently to profit or loss</b>                           |       | -                    | -                    |
| Income tax relating to items that will be reclassified  |       | -                    | -                    |
| <b>Total comprehensive income for the year</b>  |       | <b>(3,06,06,878)</b> | <b>(2,76,55,442)</b> |
| <b>Earnings per share</b>   | 29    |                      |                      |
| Basic earnings (loss) per share   |       | (13.60)              | (25.57)              |
| Diluted earnings (loss) per share   |       | (13.31)              | (23.39)              |
| The accompanying notes are integral part of the financial statements<br>(all amounts in rupees) |       |                      |                      |
| In terms of our report on even date attached  |       |                      |                      |

**For Sunil Modi & Co**  
Chartered Accountants  
Firm Registration No. 142806W

**For and on behalf of the Board of Directors**

**Sunil Modi**  
Partner  
Membership No. 042562  
UDIN: 21042562AAAABM1430  
Place : Mumbai  
Date : 24 May 2021

**Deep A. Lalvani**  
Chairman  
DIN: 01771000  
Place : Mumbai  
Date : 24 May 2021

**Ninotchka Malkani Nagpal**  
Director  
DIN: 00031985

**1908 E-Ventures Private Limited**  
**Statement of Changes in Equity**  
**For the year ended 31st March, 2021**  
[Currency: Indian Rupees(Rs.)]

**A. Equity share capital**

| Particulars   | 2020-21          |                    | 2019-20          |                    |
|---|------------------|--------------------|------------------|--------------------|
|   | Number of Shares | Amount in Rupees   | Number of Shares | Amount in Rupees   |
| <b>Balance as at 1 April 2020</b>   | 18,04,115        | 1,80,41,150        | 10,52,500        | 1,05,25,000        |
| Add: Shares issued on exercise of employee stock options during the year  | 47,000           | 4,70,000           | 47,000           | 4,70,000           |
| Add: Shares issued on conversion of Convertible debenture during the year |                  |                    | 3,20,000         | 32,00,000          |
| Add: Shares issued on conversion of ICD during the year                   | 13,48,214        | 1,34,82,140        | 3,84,615         | 38,46,150          |
| <b>Balance as at the end of the year</b>                                  | <b>31,99,329</b> | <b>3,19,93,290</b> | <b>18,04,115</b> | <b>1,80,41,150</b> |

**B. Other equity**

| Particulars  | Reserves and surplus |                    |                              | Total equity         |
|--|----------------------|--------------------|------------------------------|----------------------|
|  | Retained earnings    | Securities premium | Employee share options (net) |                      |
|  | Rs.                  | Rs.                | Rs.                          | Rs.                  |
| <b>Balance as at 1 April 2020</b>                                  | <b>(6,89,16,072)</b> | 1,09,53,840        | <b>8,10,209</b>              | <b>(5,71,52,023)</b> |
| Profit for the year  | (3,06,43,508)        | -                  | -                            | (3,06,43,508)        |
| Issue of equity shares   | -                    | 2,42,67,852        | -                            | 2,42,67,852          |
| Transfer from/to general reserve/retained earnings during the year | 9,11,161             | -                  | (9,11,161)                   | -                    |
| Employee stock options (net)                                       | -                    | -                  | 6,97,123                     | 6,97,123             |
| Other comprehensive income   | 36,630               | -                  | -                            | 36,630               |
| Total comprehensive income for the year                            | <b>(2,96,95,717)</b> | <b>2,42,67,852</b> | <b>(2,14,038)</b>            | <b>(56,41,903)</b>   |
| <b>Balance as at 31 March 2021</b>                                 | <b>(9,86,11,789)</b> | <b>3,52,21,692</b> | <b>5,96,171</b>              | <b>(6,27,93,926)</b> |
| <b>Balance as at 1 April 2019</b>                                  | (4,21,79,735)        | -                  | 91,049                       | (4,20,88,686)        |
| Profit for the year  | (2,74,88,456)        | -                  | -                            | (2,74,88,456)        |
| Issue of equity shares   | -                    | 1,09,53,840        | -                            | 1,09,53,840          |
| Transfer from/to general reserve/retained earnings during the year | 9,19,105             | -                  | (9,19,105)                   | -                    |
| Employee stock options (net)                                       | -                    | -                  | 16,38,265                    | 16,38,265            |
| Other comprehensive income   | (1,66,986)           | -                  | -                            | (1,66,986)           |
| Total comprehensive income for the year                            | <b>(2,67,36,337)</b> | <b>1,09,53,840</b> | <b>7,19,160</b>              | <b>(1,50,63,337)</b> |
| <b>Balance as at 31 March 2020</b>                                 | <b>(6,89,16,072)</b> | <b>1,09,53,840</b> | <b>8,10,209</b>              | <b>(5,71,52,023)</b> |

The accompanying notes are integral part of the financial statements (all amounts in Rupees)  
In terms of our report on even date attached

**For Sunil Modi & Co**  
Chartered Accountants  
Firm Registration No. 142806W

**For and on behalf of the Board of Directors**

**Sunil Modi**  
Partner  
Membership No. 042562  
UDIN: 21042562AAAABM1430  
Place : Mumbai  
Date : 24 May 2021

**Deep A. Lalvani**  
Chairman  
DIN: 01771000  
Place : Mumbai  
Date : 24 May 2021

**Ninotchka Malkani Nagpal**  
Director  
DIN: 00031985

**1908 E-Ventures Private Limited**
**Cash flow statement for the year ended 31st March, 2021**

[Currency: Indian Rupees(Rs.)]

| Particulars  | Year ended<br>31st March, 2021 | Year ended<br>31st March, 2020 |
|--|--------------------------------|--------------------------------|
| <b>A. Cash flow from operating activities</b>                              |                                |                                |
| <b>Net Profit before tax</b>   | (3,06,43,508)                  | (2,74,19,761)                  |
| <b>Adjustments for:</b>  |                                |                                |
| Depreciation and amortisation expense                                      | 8,11,092                       | 5,86,287                       |
| Interest income  | (44,598)                       | (42,468)                       |
| Exchange gain  | -                              | -                              |
| Provision for Gratuity   | 1,37,237                       | 46,293                         |
| Provision for Leave encashment   | 2,65,554                       | 3,92,905                       |
| Employee stock options   | 6,97,123                       | 16,38,265                      |
| Sundry balances written back/written-off                                   | (42,531)                       | (3,68,172)                     |
| <b>Operating profit before working capital changes</b>                     | <b>(2,88,19,631)</b>           | <b>(2,51,66,651)</b>           |
| <b>Adjustment for:</b>   |                                |                                |
| Decrease/ (Increase) in inventories  | (93,97,453)                    | 21,15,772                      |
| Decrease/ (Increase) in trade receivable                                   | (14,96,120)                    | 81,985                         |
| Decrease/ (Increase) in long term loans and advances and other receivables | 5,46,739                       | 65,612                         |
| Decrease/ (Increase) in other assets and receivables                       | (49,55,927)                    | (10,15,845)                    |
| (Decrease)/Increase in trade and other payables                            | 46,46,219                      | 38,51,812                      |
| <b>Cash generated from operations</b>                                      | <b>(3,94,76,173)</b>           | <b>(2,00,67,315)</b>           |
| Income tax refund/(paid)   | -                              | -                              |
| <b>Net cash (used in)/ generated from operating activities</b>             | <b>(3,94,76,173)</b>           | <b>(2,00,67,315)</b>           |
| <b>B. Cash flow from investing activities</b>                              |                                |                                |
| Acquisition of fixed assets and capital work in progress                   | (63,11,994)                    | (2,64,331)                     |
| Proceeds from sale of investments  | -                              | -                              |
| Interest income on fixed deposits and other advances                       | 44,598                         | 42,468                         |
| <b>Net cash (used in)/ generated from investing activities</b>             | <b>(62,67,396)</b>             | <b>(2,21,863)</b>              |
| <b>C. Cash flow from financing activities</b>                              |                                |                                |
| Proceeds from issuance of Debentures                                       | -                              | -                              |
| Proceeds from issuance of Inter corporate deposits*incl conversion         | 4,61,74,530                    | 63,97,242                      |
| Proceeds from issuance of Equity shares                                    | 4,70,000                       | 1,04,69,990                    |
| Proceeds from Short term borrowings  | (15,83,897)                    | 41,14,950                      |
| <b>Net cash (used in)/ generated from financing activities</b>             | <b>4,50,60,633</b>             | <b>2,09,82,182</b>             |
| <b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>       | <b>(6,82,936)</b>              | <b>6,93,004</b>                |
| Cash and cash equivalents as at the beginning of year                      | 8,95,556                       | 2,02,552                       |
| <b>Cash and cash equivalents at the end of year</b>                        | <b>2,12,620</b>                | <b>8,95,556</b>                |
| <b>Components of cash and cash equivalents (Also, refer note 10)</b>       |                                |                                |
| Cash in hand   | 61,170                         | 1,44,540                       |
| Balance with scheduled banks in current accounts                           | 1,51,450                       | 7,51,016                       |
| <b>Total</b>   | <b>2,12,620</b>                | <b>8,95,556</b>                |

This is the Cash flow statement referred to in our audit report of even date

**For Sunil Modi & Co**

Chartered Accountants

Firm Registration No. 142806W

**For and on behalf of the Board of Directors**
**Sunil Modi**

Partner

Membership No. 042562

UDIN: 21042562AAAABM1430

Place : Mumbai

Date : 24 May 2021

**Deep A. Lavani**

Chairman

DIN: 01771000

Place : Mumbai

Date : 24 May 2021

**Ninotchka Malkani Nagpal**

Director

DIN: 00031985

## 1 Company information

- (a) 1908 E-Ventures Pvt. Ltd. is a private limited company incorporated under the provision of the Companies Act, 2013. The Company was promoted & incorporated by M/s. J.B. Advani & Company Pvt. Ltd. and M/s. Ador Multiproducts Ltd. on 18th August 2015 to carry on the business to create an e-commerce platform - both website based & mobile application based that will showcase, display and sell multiple brands and provide all e-commerce based trading of consumer goods.

1908 E-Ventures Pvt. Ltd. ('the Company') is a private limited company and was incorporated in 2015. The registered and corporate office of the company is situated at 5th floor, Ador House, 6K Dubash Marg, Fort, 6, K Dubash Marg, Kala Ghoda, Fort, Mumbai, Maharashtra 400001.

## 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### (a) Basis of preparation and compliance with Ind AS

- (i) For all periods upto and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles in India (IGAAP) and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, (as amended), to the extent applicable and the presentation requirements of the Companies Act, 2013.
- (ii) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 (as amended) of the Act (collectively, "Ind AS") with effect from 1 April, 2017.

### (b) Critical estimates and judgements

The preparation of Financial Statements in conformity with Ind AS which requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

#### Useful lives of property, plant and equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

#### Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. Significant judgement is involved in arriving at the deferred tax assets and liabilities, which is based on the Company's current operations and projections for the future.

#### Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used as disclosed in Note 32.

### (c) Basis of measurement

The Ind AS financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

#### Fair value measurement

The Company measures certain financial assets and liabilities at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

**1908 E-Ventures Private Limited**  
**Significant accounting policies and other explanatory information for the year ended 31st March, 2021**  
**Notes to the financial statements**

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

**Notes to the financial statements**

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

**(d) Functional and presentation currency**

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency.

**2.2 SIGNIFICANT ACCOUNTING POLICIES**

**(a) Income Recognition - Revenue recognition as per Ind AS 115 with effect from 1 April 2018**

*The below accounting policy for revenue recognition for year ended 31 March 2021 is as per Ind AS 18.*

**(i) Revenue from sale of goods**

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty.

Revenue from sale of goods is recognised when all significant risks and rewards of ownership of the goods sold are transferred to the customer which generally coincides with delivery.

**(ii) Revenue from Services**

In contract involving rendering of services, revenue is recognised using the proportionate completion method in line with agreements / arrangements with concerned parties and is net of goods and service tax. Revenue from services is recognised when the services are rendered in accordance with the specific terms of contract and when collectability of the resulting receivable is reasonably assured.

**(iii) Revenue from Contracts**

Revenue from fixed price contracts is recognised using the percentage of completion method. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date of the total estimated contract costs. Proportionate completion is measured based upon the efforts incurred to date in relation to the total estimated efforts to complete the contract. The Company monitors estimates of total contract revenue and costs on a regular basis throughout the delivery period. The cumulative impact of any change in estimates of the contract value or cost is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

**(iv) Interest income**

Interest income is accounted on accrual basis in time proportion. Interest income is recognised using effective rate of interest method.

**(v) Dividend income**

Dividend income is recognised as and when the right to receive payment is established.

**(b) Property, Plant and Equipment**

**(i) Property, plant and equipment**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Freehold land is carried at historical cost. All other items of Property, plant and equipment are shown at cost, less accumulated depreciation and impairment, if any. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

The Company provides depreciation on all assets on written down value basis over its useful life of asset which is in line with Schedule II of Companies Act, 2013.

**Notes to the financial statements**

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

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.

**(ii) Capital work in progress**

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised till the time asset is available for use for operating at normal levels. Revenue generated from production during the trial period is credited to capital work in progress.

**(iii) Investment properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016 measured under IGAAP as the deemed cost of investment properties.

**(iv) Depreciation**

Depreciation is provided on a pro-rata basis on the Written down value (WDV) method based on useful life as estimated by the Management and aligned to Schedule II to the Companies Act, 2013 in order to reflect the actual usage of assets. Depreciation on assets acquired under finance lease is spread over the lease period or useful life, whichever is shorter.

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a written down value basis over its expected useful life determined by the management and aligned to the schedule II to the Companies Act, 2013 in order to reflect the actual usage of assets.

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

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

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

**(c) Intangible assets**

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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 recognised in the statement of profit and loss when the asset is derecognised.



**1908 E-Ventures Private Limited**

**Significant accounting policies and other explanatory information for the year ended 31st March, 2021**

**Notes to the financial statements**

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:  
Computer Software/Website Development - 3 to 5 years.

**Notes to the financial statements**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP (Indian GAAP) and use that carrying value as the deemed cost of the intangible assets.

Intangible assets are amortised on a Straight Line basis over their estimated useful lives. The amortisation period and the amortisation 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 amortisation period is changed accordingly.

**(d) Financial instruments**

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

**Financial assets**

*Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

*Subsequent measurement*

Subsequent measurement of financial assets is described below -

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated its investments in debt instruments as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Financial Assets - Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Notes to the financial statements

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- (i) Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- (ii) Debt instruments measured at FVTPL: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. The change in fair value is taken to the statement of Profit and Loss.
- (iii) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI. '

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

**Financial liabilities - Recognition and measurement**

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

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

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

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through statement of profit and loss**

Financial liabilities at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

**Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.**

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

**Loans and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Notes to the financial statements

**Financial liabilities - Derecognition**

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

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and  
For more information on financial instruments Refer note no. 34.

**(e) Cash and cash equivalents**

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**(f) Borrowing costs**

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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(g) Impairment of non-financial 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) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

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

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

**(h) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Notes to the financial statements

(i) **Inventories**

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value.

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

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

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

Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

(j) **Taxation**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

(k) **Employee benefit schemes**

**(a) Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

**Compensated absences:**

Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly to statement of profit and loss.

Notes to the financial statements

**(b) Post-employment benefits**

**(i) Defined contribution plan**

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan.

**(ii) Defined benefit plans**

**Gratuity**

The Company has a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. The liability so provided is paid to the Life Insurance Corporation of India (LIC). Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the statement of profit and loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets if any. This cost is included in employee benefit expense in the statement of profit and loss.

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

**Provident Fund**

Eligible employees of the Company receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Contributions to defined contribution schemes are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company has no further defined obligations beyond the monthly contributions.

**(l) Provision for liabilities and charges, Contingent liabilities and contingent assets**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

**(m) Foreign currency transactions**

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

**Notes to the financial statements**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities are translated at the closing rate on the balance sheet date
- (b) Income and expenses are translated at the average exchange rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of transaction)
- (c) All resulting exchange differences are recognised in other comprehensive income

When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit and loss, as part of the gain or loss on sale.

Fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**(n) Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

**(o) Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

"Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

**(p) Leases**

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**The Company as lessee**

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss.

Rentals payable under operating leases are charged to the statement of profit and loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**The Company as a Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease, unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the inflationary cost increases.

**(q) Share-based payment arrangements**

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve/ retained earnings within equity.

**(r) Product Warranty**

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

3. Property Plant & Equipment

|                          | Gross block - at cost         |                  |                    |                   |                                | Depreciation/ Amortisation    |                         |                    |                   |                                | Net block                      |
|--------------------------|-------------------------------|------------------|--------------------|-------------------|--------------------------------|-------------------------------|-------------------------|--------------------|-------------------|--------------------------------|--------------------------------|
| Particulars              | As at<br>1 April 2020         | Additions        | Adjustments        | Deductions        | As at<br>31 March 2021         | As at<br>1 April 2020         | For the<br>year         | Adjustments        | Deductions        | As at<br>31 March 2021         | As at<br>31 March 2021         |
| <b>Tangible assets</b>   |                               |                  |                    |                   |                                |                               |                         |                    |                   |                                |                                |
| Computers                | 5,12,824                      | 2,90,491         | -                  | -                 | 8,03,315                       | 4,36,406                      | 69,735                  | -                  | -                 | 5,06,141                       | 2,97,174                       |
| Furniture and fixtures   | 9,93,947                      | -                | -                  | -                 | 9,93,947                       | 6,09,272                      | 99,580                  | -                  | -                 | 7,08,852                       | 2,85,095                       |
| Electrical installations | 1,68,499                      | -                | -                  | -                 | 1,68,499                       | 1,13,275                      | 14,296                  | -                  | -                 | 1,27,571                       | 40,928                         |
| Office equipments        | 6,12,613                      | 21,503           | -                  | -                 | 6,34,116                       | 4,34,465                      | 84,596                  | -                  | -                 | 5,19,061                       | 1,15,055                       |
| <b>Total</b>             | <b>22,87,883</b>              | <b>3,11,994</b>  | <b>-</b>           | <b>-</b>          | <b>25,99,877</b>               | <b>15,93,418</b>              | <b>2,68,207</b>         | <b>-</b>           | <b>-</b>          | <b>18,61,625</b>               | <b>7,38,252</b>                |
|                          | Gross block - at cost         |                  |                    |                   |                                | Depreciation/ Amortisation    |                         |                    |                   |                                | Net block                      |
|                          |                               |                  |                    |                   |                                |                               |                         |                    |                   |                                |                                |
| <b>Particulars</b>       | <b>As at<br/>1 April 2019</b> | <b>Additions</b> | <b>Adjustments</b> | <b>Deductions</b> | <b>As at<br/>31 March 2020</b> | <b>As at<br/>1 April 2019</b> | <b>For the<br/>year</b> | <b>Adjustments</b> | <b>Deductions</b> | <b>As at<br/>31 March 2020</b> | <b>As at<br/>31 March 2020</b> |
| <b>Tangible assets</b>   |                               |                  |                    |                   |                                |                               |                         |                    |                   |                                |                                |
| Computers                | 3,98,846                      | 1,13,978         | -                  | -                 | 5,12,824                       | 3,58,061                      | 78,345                  | -                  | -                 | 4,36,406                       | 76,418                         |
| Furniture and fixtures   | 9,93,947                      | -                | -                  | -                 | 9,93,947                       | 4,74,898                      | 1,34,374                | -                  | -                 | 6,09,272                       | 3,84,675                       |
| Electrical installations | 1,68,499                      | -                | -                  | -                 | 1,68,499                       | 93,982                        | 19,293                  | -                  | -                 | 1,13,275                       | 55,224                         |
| Office equipments        | 4,87,260                      | 1,25,353         | -                  | -                 | 6,12,613                       | 3,04,754                      | 1,29,711                | -                  | -                 | 4,34,465                       | 1,78,148                       |
| <b>Total</b>             | <b>20,48,552</b>              | <b>2,39,331</b>  | <b>-</b>           | <b>-</b>          | <b>22,87,883</b>               | <b>12,31,695</b>              | <b>3,61,723</b>         | <b>-</b>           | <b>-</b>          | <b>15,93,418</b>               | <b>6,94,465</b>                |
|                          | Gross block - at cost         |                  |                    |                   |                                | Depreciation/ Amortisation    |                         |                    |                   |                                | Net block                      |
| <b>Particulars</b>       | <b>As at<br/>1 April 2020</b> | <b>Additions</b> | <b>Adjustments</b> | <b>Deductions</b> | <b>As at<br/>31 March 2021</b> | <b>As at<br/>1 April 2020</b> | <b>For the<br/>year</b> | <b>Adjustments</b> | <b>Deductions</b> | <b>As at<br/>31 March 2021</b> | <b>As at<br/>31 March 2021</b> |
| <b>Intangible assets</b> |                               |                  |                    |                   |                                |                               |                         |                    |                   |                                |                                |
| Computer software        | 2,84,438                      | -                | -                  | -                 | 2,84,438                       | 1,79,675                      | 42,885                  | -                  | -                 | 2,22,560                       | 61,878                         |
| Brand acquisition        | -                             | 60,00,000        | -                  | -                 | 60,00,000                      | -                             | 5,00,000                | -                  | -                 | 5,00,000                       | 55,00,000                      |
| Website Development      | 9,27,056                      | -                | -                  | -                 | 9,27,056                       | 9,27,056                      | -                       | -                  | -                 | 9,27,056                       | -                              |
| <b>Total</b>             | <b>12,11,494</b>              | <b>60,00,000</b> | <b>-</b>           | <b>-</b>          | <b>72,11,494</b>               | <b>11,06,731</b>              | <b>5,42,885</b>         | <b>-</b>           | <b>-</b>          | <b>16,49,616</b>               | <b>55,61,878</b>               |
|                          | Gross block - at cost         |                  |                    |                   |                                | Depreciation/Amortisation     |                         |                    |                   |                                | Net block                      |
| <b>Particulars</b>       | <b>As at<br/>1 April 2019</b> | <b>Additions</b> | <b>Adjustments</b> | <b>Deductions</b> | <b>As at<br/>31 March 2020</b> | <b>As at<br/>1 April 2019</b> | <b>For the<br/>year</b> | <b>Adjustments</b> | <b>Deductions</b> | <b>As at<br/>31 March 2020</b> | <b>As at<br/>31 March 2020</b> |
| <b>Intangible assets</b> |                               |                  |                    |                   |                                |                               |                         |                    |                   |                                |                                |
| Computer software        | 2,59,438                      | 25,000           | -                  | -                 | 2,84,438                       | 1,36,790                      | 42,885                  | -                  | -                 | 1,79,675                       | 1,04,763                       |
| Website Development      | 9,27,056                      | -                | -                  | -                 | 9,27,056                       | 7,45,377                      | 1,81,679                | -                  | -                 | 9,27,056                       | -                              |
| <b>Total</b>             | <b>11,86,494</b>              | <b>25,000</b>    | <b>-</b>           | <b>-</b>          | <b>12,11,494</b>               | <b>8,82,167</b>               | <b>2,24,564</b>         | <b>-</b>           | <b>-</b>          | <b>11,06,731</b>               | <b>1,04,763</b>                |



4 Deferred tax Assets (Net)

| Particulars  | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| <b>Deferred tax asset arising on account of (A)</b>                                      |                        |                        |
| Opening DTA  | 81,65,446              | 82,34,141              |
| Timing difference between book depreciation and depreciation as per Income Tax Act, 1961 | -                      | -                      |
| Employees benefit expenses   | -                      | -                      |
| Brought forward depreciation / Unabsorbed losses   | -                      | -                      |
| Preliminary expenses   | -                      | (68,695)               |
| Others   | -                      | -                      |
|  | 81,65,446              | 81,65,446              |
| <b>Deferred tax liability arising on account of (B)</b>                                  |                        |                        |
| Others   | -                      | -                      |
| <b>Total</b>   | <b>81,65,446</b>       | <b>81,65,446</b>       |

The Company has not recognized deferred tax asset on unabsorbed depreciation & carried forward business losses under tax laws and other temporary differences in view that it not probable that taxable profits will be available against which the deductible temporary differences can be utilized.

Unused tax losses, unabsorbed depreciation and temporary differences on which no deferred tax asset is recognised in Balance Sheet

| Particulars  | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| <b>Deferred tax asset arising on account of (A)</b>  |                        |                        |
| Unabsorbed Tax depreciation                          | 20,388                 | 20,388                 |
| Unused Tax Losses                                    | 54,13,552              | 54,13,552              |
| Temporary differences                                | 26,724                 | 86,279                 |
| Remeasurement of net defined benefit liability (OCI) | -                      | 38,240                 |
| <b>Total</b>   | <b>54,60,664</b>       | <b>55,58,459</b>       |

Unabsorbed depreciation does not have any expiry period under the Income Tax Act, 1961.

The tax benefits for the losses would expire if not utilised starting from financial year 2026-27 to 2027-28.

5 Non current financial assets

| Particulars   | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Deposit with maturity more than 12 months from reporting date   | 1,00,000               | 1,00,000               |
| Deposit with statutory authorities                              | 25,000                 | 25,000                 |
| Security and other deposits*                                    | 1,27,378               | 3,49,594               |
| <b>Total</b>  | <b>2,52,378</b>        | <b>4,74,594</b>        |
| <b>*Comprises of Security deposit given to related parties:</b> |                        |                        |
| <b>J.B.Advani &amp; Co Private Limited</b>                      | <b>1,50,000</b>        | <b>1,50,000</b>        |

6 Other non-current tax assets

| Particulars                           | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------------|------------------------|------------------------|
| Advance Income Tax (Net of Provision) | 1,38,253               | 4,58,647               |
| <b>Total</b>                          | <b>1,38,253</b>        | <b>4,58,647</b>        |

7 Other non-current assets

| Particulars                    | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------------------------|------------------------|------------------------|
| <b>Considered good:</b>        |                        |                        |
| Deferred notional rent expense | 11,004                 | 15,133                 |
| <b>Total</b>                   | <b>11,004</b>          | <b>15,133</b>          |

8 Inventories

| Particulars    | As at 31st March, 2021 | As at 31st March, 2020 |
|----------------|------------------------|------------------------|
| Stock in trade | 1,68,09,604            | 74,12,151              |
| <b>Total</b>   | <b>1,68,09,604</b>     | <b>74,12,151</b>       |

1908 E-Ventures Private Limited  
Notes forming part of the financial statements

9 Trade receivables

| Particulars                        | As at 31st March,<br>2021 | As at 31st March,<br>2020 |
|------------------------------------|---------------------------|---------------------------|
| Considered good                    | 49,61,318                 | 34,65,198                 |
| Considered doubtful                | -                         | -                         |
| Less: Provision for doubtful debts | -                         | -                         |
| <b>Total</b>                       | <b>49,61,318</b>          | <b>34,65,198</b>          |

10 Cash and cash equivalents

| Particulars   | As at 31st March,<br>2021 | As at 31st March,<br>2020 |
|---|---------------------------|---------------------------|
| <b>Balances with banks in:</b>  |                           |                           |
| Balance with scheduled banks  |                           |                           |
| - current accounts  | 1,51,450                  | 7,51,016                  |
| Cash in hand  | 61,170                    | 1,44,540                  |
|   | <b>2,12,620</b>           | <b>8,95,556</b>           |
| <b>Other bank balances</b>  |                           |                           |
| Deposit with maturity of more than 3 months but less than 12 months from reporting date | -                         | -                         |
|   | -                         | -                         |
| <b>Total</b>  | <b>2,12,620</b>           | <b>8,95,556</b>           |

11 Other current financial assets

| Particulars                     | As at 31st March,<br>2021 | As at 31st March,<br>2020 |
|---------------------------------|---------------------------|---------------------------|
| Interest accrued but not due    | 4,949                     | 6,851                     |
| Loans and advances to employees | 12,000                    | 1,75,000                  |
| <b>Total</b>                    | <b>16,949</b>             | <b>1,81,851</b>           |

12 Other current assets

| Particulars                                       | As at 31st March,<br>2021 | As at 31st March,<br>2020 |
|---|---------------------------|---------------------------|
| Prepaid expenses                                  | 4,69,817                  | 5,77,329                  |
| Other advances                                    | 85,05,081                 | 32,55,694                 |
| Current portion of deferred notional rent expense | 11,410                    | 32,456                    |
| <b>Total</b>                                      | <b>89,86,308</b>          | <b>38,65,479</b>          |

13 Equity share capital

| <b>Authorised</b>                   |                            |                                 |
|-------------------------------------|----------------------------|---------------------------------|
| Particulars                         | Number of equity<br>shares | Amount in Rs.<br>(at par value) |
| <b>Equity shares of INR 10 each</b> |                            |                                 |
| As at 01 April 2020                 | 50,00,000                  | 5,00,00,000                     |
| Increase/(decrease) during the year | -                          | -                               |
| <b>As at 31st March, 2021</b>       | <b>50,00,000</b>           | <b>5,00,00,000</b>              |
|                                     |                            |                                 |
| Particulars                         | Number of equity<br>shares | Amount in Rs.<br>(at par value) |
| <b>Equity shares of INR 10 each</b> |                            |                                 |
| As at 01 April 2019                 | 50,00,000                  | 5,00,00,000                     |
| Increase/(decrease) during the year | -                          | -                               |
| <b>As at 31st March, 2020</b>       | <b>50,00,000</b>           | <b>5,00,00,000</b>              |

**1908 E-Ventures Private Limited**  
**Notes forming part of the financial statements**

| <b>Issued, Subscribed and fully paid up</b> |                                |                                     |
|---|--------------------------------|-------------------------------------|
| <b>Particulars</b>                          | <b>Number of equity shares</b> | <b>Amount in Rs. (at par value)</b> |
| <b>Equity shares of INR 10 each</b>         |                                |                                     |
| As at 01 April 2020                         | 18,04,115                      | 1,80,41,150                         |
| Increase/(decrease) during the year         | 13,95,214                      | 1,39,52,140                         |
| <b>As at 31st March, 2021</b>               | <b>31,99,329</b>               | <b>3,19,93,290</b>                  |

| <b>Particulars</b>                  | <b>Number of equity shares</b> | <b>Amount in Rs. (at par value)</b> |
|-------------------------------------|--------------------------------|-------------------------------------|
| <b>Equity shares of INR 10 each</b> |                                |                                     |
| As at 01 April 2019                 | 10,52,500                      | 1,05,25,000                         |
| Increase/(decrease) during the year | 7,51,615                       | 75,16,150                           |
| <b>As at 31st March, 2020</b>       | <b>18,04,115</b>               | <b>1,80,41,150</b>                  |

**a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period**

| <b>Particulars</b>  | <b>Number of equity shares</b> | <b>Amount in Rs. (at par value)</b> |
|---|--------------------------------|-------------------------------------|
| <b>Equity shares of INR 10 each</b>                                       |                                |                                     |
| As at 01 April 2020   | 18,04,115                      | 1,80,41,150                         |
| <b>Increase/(decrease) during the year</b>                                |                                |                                     |
| Add: Shares issued on exercise of employee stock options during the year  | 47,000                         | 4,70,000                            |
| Add: Shares issued on conversion of Convertible debenture during the year |                                |                                     |
| Add: Shares issued on conversion of ICD during the year                   | 13,48,214                      | 1,34,82,140                         |
| <b>As at 31st March, 2021</b>   | <b>31,99,329</b>               | <b>3,19,93,290</b>                  |

| <b>Particulars</b>  | <b>Number of equity shares</b> | <b>Amount in Rs. (at par value)</b> |
|---|--------------------------------|-------------------------------------|
| <b>Equity shares of INR 10 each</b>                                       |                                |                                     |
| As at 01 April 2019   | 10,52,500                      | 1,05,25,000                         |
| <b>Increase/(decrease) during the year</b>                                |                                |                                     |
| Add: Shares issued on exercise of employee stock options during the year  | 47,000                         | 4,70,000                            |
| Add: Shares issued on conversion of Convertible debenture during the year | 3,20,000                       | 32,00,000                           |
| Add: Shares issued on conversion of ICD during the year                   | 3,84,615                       | 38,46,150                           |
| <b>As at 31st March, 2020</b>   | <b>18,04,115</b>               | <b>1,80,41,150</b>                  |

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

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c). Shareholders holding more than 5% of the shares in the Company**

| <b>Particulars</b>                                | <b>As at 31st March, 2021</b> | <b>As at 31st March, 2020</b> |
|---|-------------------------------|-------------------------------|
| <b>Equity shares of Rs 10 each, fully paid up</b> |                               |                               |
| <b>Ador Multiproducts Ltd.</b>                    |                               |                               |
| Number  | 24,52,829                     | 11,04,615                     |
| % Holding   | 76.67%                        | 61.23%                        |
| <b>J.B.Advani &amp; Company Pvt. Ltd.</b>         |                               |                               |
| Number  | 6,00,000                      | 6,00,000                      |
| % Holding   | 18.75%                        | 33.26%                        |

**d). Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:**

| <b>Particulars</b>                                      | <b>As at 31st March, 2021</b> | <b>As at 31st March, 2020</b> |
|---|-------------------------------|-------------------------------|
| <b>Employee stock options granted and outstanding #</b> |                               |                               |
| Number  | 50,000                        | 1,00,000                      |
| Rupees (at face value)*                                 | 5,00,000                      | 10,00,000                     |
| <b>9.5% Compulsory convertible debentures ##</b>        |                               |                               |
| Number**  | 4,57,143                      | 4,57,143                      |
| Rupees (at face value)                                  | 45,71,430                     | 45,71,430                     |

\* The equity shares will be issued at a premium of Rupees NIL (previous year: Rupees NIL)

\*\* The equity shares will be issued at a premium of Rupees 1,14,28,575 (previous year: Rupees 1,14,28,575)

# Note 13(c) for terms of employee stock option schemes

## 9.5 % Unsecured Fully Compulsorily Convertible debentures.

**1908 E-Ventures Private Limited**
**Notes forming part of the financial statements**
**e). Stock option schemes**
**i). Terms :**

The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested over a period of 3 years subject to the discretion of the management and fulfillment of certain conditions.

1,50,000 Equity Shares of Face Value of Rupees 10/- each (Previous Year: Nil Equity Shares of Face Value of Rupees 10/- each ) are reserved for issue under Employee Stock Option Scheme-2019 (ESOS-2019)

| Particulars  | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Grant price  | 10                     | 10                     |
| Grant date   | 01-03-2020             | 01-03-2019             |
| Vesting commences on   | 01/03/2021 onwards     | 01/03/2020 onwards     |
| Options granted and outstanding at the beginning of the year | 1,00,000               | 1,50,000               |
| Options granted during the year                              | -                      | -                      |
| Options exercised during the year                            | 47,000                 | 47,000                 |
| Options lapsed during the year                               | 3,000                  | 3,000                  |
| Options granted and outstanding at the end of the year       | 50,000                 | 1,00,000               |
| of which   |                        |                        |
| no. of options vested  | 50,000                 | -                      |
| no. of options yet to vest                                   | -                      | 1,00,000               |

In respect of stock options granted pursuant to the Company's stock options schemes, the fair value of the options is treated as discount and accounted as employee compensation over the vesting period.

Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2020-21 is Rupees 6,97,123 (previous year: Rupees 16,38,265).

The fair value has been calculated using the Black Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

| Particulars                                     | As at 31st March, 2021   | As at 31st March, 2020 |
|---|--|------------------------|
| A) Compounded risk free interest rate           | 6.21%  | 7.00%                  |
| B) Weighted Average Expected life of options    | 0.8 years  | 2 years                |
| C) Expected volatility                          | 44%  | 18%                    |
| D) Expected dividends over the life of options  | NIL  | NIL                    |
| E) Share price                                  | 28.00  | 27.09                  |
| F) Weighted Average Exercise price              | 10   | 17                     |
| G) Method used to determine expected volatility | The expected volatility has been determined on basis of, inter alia, historical data, forecasted growth of the company and other factors as deemed reasonable and appropriate for the purposes of this valuation |                        |

**14 Other Equity**

| Particulars                                    | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| <b>Retained Earnings</b>                       |                        |                        |
| As per last Balance Sheet                      | (5,69,62,369)          | (4,20,66,018)          |
| <b>Increase/(decrease) during the year</b>     |                        |                        |
| Profit/(loss) for the year                     | (3,06,43,508)          | (2,74,88,456)          |
| Securities premium                             | 2,42,67,852            | 1,09,53,840            |
| Employee share options (net)                   | 6,97,123               | 16,38,265              |
|  | (6,26,40,902)          | (5,69,62,369)          |
| <b>Other Comprehensive Income (OCI)</b>        |                        |                        |
| As per last Balance Sheet                      | (1,89,654)             | (22,668)               |
| Remeasurement of defined employee benefit plan | 36,630                 | (1,66,986)             |
|  | (1,53,024)             | (1,89,654)             |
| <b>Total</b>                                   | <b>(6,27,93,926)</b>   | <b>(5,71,52,023)</b>   |

**1908 E-Ventures Private Limited**  
**Notes forming part of the financial statements**

**15 Long-term borrowings**

| Particulars  | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| <b>From related parties;</b>                           |                        |                        |
| <b>Un Secured</b>                                      |                        |                        |
| Fully Compulsorily Convertible debentures (Unsecured)* | 1,60,00,000            | 1,60,00,000            |
| Inter corporate deposits**                             | 1,48,21,780            | 63,97,242              |
| <b>Total</b>   | <b>3,08,21,780</b>     | <b>2,23,97,242</b>     |

\*The Company has issued NIL. (Previous Year: NIL) 9.5 % Unsecured Fully Compulsorily Convertible debentures of Rs. 10 each on preferential allotment basis to M/s. Ador Multiproducts Ltd which is fully convertible into equity Shares after 3 years from the date of issue of debentures.

\*\*The Company has received Inter Corporate Deposits(ICD) from M/s. Ador Multiproducts Ltd @ 10% interest for the period of 5 years. The Company and Lender have an option to convert - ICDs into either Equity Shares or Preference Shares (Type of Preference Share will be decided at the time of Conversion) of such number as mutually decided by Company and Lender within a period of 5 years by sending a prior notice of its intention of Conversion of ICDs into Equity or Preference Shares. Conversion of ICDs will be done at the fair market value as calculated by the Registered Valuer at the time of conversion.

**16 Long-term provisions**

| Particulars         | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------|------------------------|------------------------|
| - Gratuity          | 3,92,482               | 2,96,577               |
| - Leave entitlement | 8,40,946               | 7,26,883               |
| <b>Total</b>        | <b>12,33,428</b>       | <b>10,23,460</b>       |

**17 Short-term borrowings**

| Particulars                                     | As at 31st March, 2021 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| <b>From Banks</b>                               |                        |                        |
| <b>Un Secured</b>                               |                        |                        |
| Overdraft facility from bank*                   | 2,57,96,419            | 2,24,80,316            |
| <b>From other parties.</b>                      |                        |                        |
| <b>Un Secured</b>                               |                        |                        |
| <b>Loans and advances from related parties;</b> |                        |                        |
| Loans from Directors                            | -                      | 49,00,000              |
| <b>Total</b>                                    | <b>2,57,96,419</b>     | <b>2,73,80,316</b>     |

\*The Company has utilised overdraft facility of Rs. 2,57,96,419 (Previous Year: 2,24,80,316) against the drawing power of Rs. 2,60,00,000 (Previous Year Rs.2,60,00,000). The overdraft facility is secured against mutual fund investment of M/s J.B.Advani & Company Private Limited provided as collateral security by marking lien on mutual fund investments in favour of the bank.

**18 Other trade payables**

| Particulars  | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Dues to micro, small and medium enterprises            | -                      | 1,29,952               |
| Dues to other than micro, small and medium enterprises | 1,59,95,085            | 1,06,03,070            |
| <b>Total</b>   | <b>1,59,95,085</b>     | <b>1,07,33,022</b>     |

**19 Other current financial liabilities**

| Particulars            | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------|------------------------|------------------------|
| Statutory dues payable | 4,33,658               | 62,598                 |
| Advance from customers | -                      | 16,51,665              |
| Outstanding expenses   | 20,18,054              | 13,33,976              |
| <b>Total</b>           | <b>24,51,713</b>       | <b>30,48,239</b>       |

**1908 E-Ventures Private Limited**  
**Notes forming part of the financial statements**

**20 Short-term provisions**

| Particulars       | As at 31st March, 2021 | As at 31st March, 2020 |
|-------------------|------------------------|------------------------|
| Bonus payable     | 2,61,640               | 1,89,824               |
| Gratuity          | 11,437                 | 6,735                  |
| Leave entitlement | 83,144                 | 65,318                 |
| <b>Total</b>      | <b>3,56,221</b>        | <b>2,61,877</b>        |

**21 Income tax**

During the years ended 31st March, 2021 and 31st March, 2020, a current tax credit reversal of Rs. 36,630 and a current tax credit of Rs 166,986, respectively, have been recorded in other comprehensive income pertaining to remeasurement of defined benefit plan asset.

During the years ended 31st March, 2021 and 31st March, 2020, a deferred tax liability of Rs. NIL and Rs. NIL has been recorded in other comprehensive income pertaining to items not reclassified.

**22 Revenue from operations**

| Particulars             | 2020-21            | 2019-20            |
|-------------------------|--------------------|--------------------|
| Sale of products        | 2,45,15,920        | 1,76,01,054        |
| Other operating revenue | -                  | -                  |
| <b>Total</b>            | <b>2,45,15,920</b> | <b>1,76,01,054</b> |

**23 Other income**

| Particulars                                       | 2020-21          | 2019-20          |
|---|------------------|------------------|
| Interest income:                                  |                  |                  |
| - on bank deposits                                | 5,957            | 8,448            |
| - on income tax refunds                           | 26,617           | 4,380            |
| Exchange Gain                                     | -                | -                |
| Sundry balances written back                      | 42,531           | 3,68,172         |
| Finance income on interest free security deposits | 12,024           | 29,640           |
| Sundry receipts                                   | 5,42,797         | 90,701           |
| Business Support Services                         | 23,71,959        | 44,69,222        |
| <b>Total</b>                                      | <b>30,01,885</b> | <b>49,70,563</b> |

**24 Purchases of Stock-in-Trade**

| Particulars                 | 2020-21            | 2019-20            |
|-----------------------------|--------------------|--------------------|
| Purchases of Stock-in-Trade | 2,54,34,939        | 1,49,32,034        |
| <b>Total</b>                | <b>2,54,34,939</b> | <b>1,49,32,034</b> |

**25 Changes in inventories**

| Particulars                              | 2020-21            | 2019-20          |
|--|--------------------|------------------|
| Inventories at the end of the year       |                    |                  |
| Finished goods                           | 1,68,09,604        | 74,12,151        |
|  | 1,68,09,604        | 74,12,151        |
| Inventories at the beginning of the year |                    |                  |
| Finished goods                           | 74,12,755          | 95,27,923        |
|  | 74,12,755          | 95,27,923        |
| <b>Total</b>                             | <b>(93,96,849)</b> | <b>21,15,772</b> |

**26 Employee benefit expenses**

| Particulars  | 2020-21            | 2019-20            |
|--|--------------------|--------------------|
| Salaries, wages and bonus  | 86,33,394          | 77,50,385          |
| Contribution to provident and other funds (Also, refer note no.32) | 3,98,433           | 3,34,154           |
| Contribution to gratuity (Also, refer note no.32)                  | 1,37,237           | 46,293             |
| Leave encashment (Also, refer note no.32)                          | 2,65,554           | 3,92,905           |
| Expenses on employee stock option scheme                           | 6,97,123           | 16,38,265          |
| Staff welfare expense  | 1,40,029           | 3,34,971           |
| <b>Total</b>   | <b>1,02,71,770</b> | <b>1,04,96,973</b> |

**27 Finance Costs**

| Particulars                          | 2020-21          | 2019-20          |
|--------------------------------------|------------------|------------------|
| Interest on borrowings from banks    | 20,90,789        | 24,38,169        |
| Interest on debentures               | 15,20,000        | 22,63,388        |
| Interest on Inter Corporate Deposits | 15,34,367        | 4,41,370         |
| Other finance costs                  | 1,93,884         | 47,521           |
| <b>Total</b>                         | <b>53,39,040</b> | <b>51,90,448</b> |

**1908 E-Ventures Private Limited**  
**Notes forming part of the financial statements**

**28 Other expenses**

| Particulars                       | 2020-21            | 2019-20            |
|-----------------------------------|--------------------|--------------------|
| Administrative Expenses           | 3,72,325           | 5,25,481           |
| Business Promotion Expenses       | 5,35,000           | -                  |
| Clearing & Forwarding Charges     | 3,37,692           | 2,35,164           |
| Marketing expenses                | 12,40,976          | 34,17,144          |
| Brand Registration                | 8,02,321           | 1,09,108           |
| Electricity expense               | 19,671             | 82,856             |
| Exchange Loss                     | 26,370             | 87,459             |
| Internet expenses                 | 35,084             | 1,31,302           |
| Insurance charges                 | 14,386             | 17,083             |
| Packing material                  | 16,63,795          | 2,58,097           |
| Advertisement expenses            | 72,17,742          | 29,94,236          |
| Travelling and conveyance         | 6,47,264           | 2,37,267           |
| Legal and professional            | 37,16,229          | 24,27,949          |
| Leave & licence Fees              | 17,21,289          | 14,77,921          |
| Amortisation of prepaid rent      | 11,875             | 31,754             |
| Bad debts                         | 81,216             | 4,98,522           |
| Registration fees                 | 24,580             | 1,33,570           |
| Auditors' remuneration            | 1,10,250           | 1,52,075           |
| Repairs & Maintenance expense     | 4,33,012           | 6,50,892           |
| Printing and stationery           | 44,901             | 97,473             |
| Telephone postage & communication | 47,32,225          | 5,46,336           |
| Website expenses                  | 2,17,273           | 2,82,764           |
| Testing charges                   | 1,652              | 1,32,336           |
| Miscellaneous expenses            | 16,94,193          | 21,43,075          |
| <b>Total</b>                      | <b>2,57,01,321</b> | <b>1,66,69,864</b> |

**29 Earnings per share**

| Particulars  | 2020-21       | 2019-20       |
|--|---------------|---------------|
| i) Net profit after tax as per statement of profit and loss attributable to equity shareholders        | (3,06,43,508) | (2,74,88,456) |
| ii) Weighted average number of equity shares used as denominator for calculating basic ESPS            | 22,52,474     | 10,75,151     |
| iii) Weighted average number of potential equity shares on account of employee stock options           | 50,000        | 1,00,000      |
| iv) Total weighted average number of equity shares used as denominator for calculating diluted EPS     | 23,02,474     | 11,75,151     |
| v) Net profit after tax for diluted EPS  | (3,06,43,508) | (2,74,88,456) |
| vi) Basic earnings per share (Rs.)   | (13.60)       | (25.57)       |
| vii) Anti-dilutive earnings per share (Rs.)  | (13.31)       | (23.39)       |
| viii) Face value per equity share (Rs.)  | 10            | 10            |
| ix) Weighted average number of potential equity shares on account of compulsory convertible debentures | 27,09,617     | 15,51,691     |
| x) Net profit after tax for diluted EPS  | (2,91,23,508) | (2,52,25,068) |
| xi) Anti-dilutive earnings per share (Rs.)   | (10.75)       | (16.26)       |

**30 Auditors' remuneration**

| Particulars                    | 2020-21         | 2019-20         |
|--------------------------------|-----------------|-----------------|
| Audit fees                     | 1,10,000        | 1,40,000        |
| Auditor out of pocket expenses | 250             | 12,075          |
| <b>Total</b>                   | <b>1,10,250</b> | <b>1,52,075</b> |

**31 Operating leases**

**Leases as lessee**

i. The Company has entered into various lease agreements under operating lease arrangements. The schedule of future minimum rentals payments in respect of non-cancellable operating leases agreements is set out below :

| Particulars                | As at 31st March, 2021 | As at 31st March, 2020 |
|----------------------------|------------------------|------------------------|
| Up to one year             | 2,89,406               | 20,71,699              |
| Between one and five years | -                      | 17,72,375              |
| More than five years       |                        |                        |
| <b>Total</b>               | <b>2,89,406</b>        | <b>38,44,074</b>       |

ii. The lease rentals recognised in the Statement of Profit and Loss for the year are Rs. 17,21,289 (Previous Year: Rs. 14,77,921).

**1908 E-Ventures Private Limited**

**Notes forming part of the financial statements**

[Currency: Indian Rupees(Rs.)]

**32 Employee Benefits**

**(i) Defined Contribution Plans:**

Provident Fund is a defined contribution scheme and the contributions as required by the statute are charged to the Statement of Profit and Loss as incurred. The contributions are made to a government administered Provident Fund.

The Company recognised Rs. 398,433 (previous year Rs. 3,34,154) for Provident Fund contribution in the Statement of Profit and Loss.

**(ii) Defined Benefit Plan:**

Liability towards long term defined employee benefits - leave encashment and gratuity are determined on actuarial valuation by independent actuaries at the year-end by using Projected Unit Credit method. Liability so determined is not funded.

**Gratuity**

**A. Movement in net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

| Particulars                               | Defined benefit obligation (Rs.) |                  |
|---|----------------------------------|------------------|
|   | 31st March, 2021                 | 31st March, 2020 |
| <b>Opening balance</b>                    | 3,03,312                         | 90,033           |
| <b>Included in profit or loss</b>         |                                  |                  |
| Current service cost                      | 1,16,841                         | 39,275           |
| Interest cost                             | 20,396                           | 7,018            |
|   | 1,37,237                         | 46,293           |
| <b>Included in OCI</b>                    |                                  |                  |
| <b>Opening balance</b>                    | 1,92,027                         | 25,041           |
| Remeasurement loss or (gain):             |                                  |                  |
| Actuarial loss or (gain) arising from:    |                                  |                  |
| Changes in demographic assumptions        |                                  | -                |
| Financial assumptions                     | (12,010)                         | 52,840           |
| Experience adjustment                     | (24,620)                         | 1,14,146         |
|   | 1,55,397                         | 1,92,027         |
| <b>Other</b>                              |                                  |                  |
| Liability Taken Over of Employees         | -                                | -                |
| <u>Contributions paid by the employer</u> |                                  |                  |
| Benefits paid                             | -                                | -                |
|   | -                                | -                |
| <b>Closing balance</b>                    | <b>4,03,919</b>                  | <b>3,03,312</b>  |

**B. Defined benefit obligations**

**i. Actuarial assumptions**

The following were the weighted average assumptions used to determine benefit obligations at the reporting date.

|                                  |            |  | 31st March, 2021                         | 31st March, 2020 |
|----------------------------------|------------|--|--|------------------|
| Discount rate                    |            |  | 6.95%                                    | 6.80%            |
| Salary escalation rate           |            |  | 7.50%                                    | 7.50%            |
| Employee turnover rate           | Age(Years) |  |  |                  |
|                                  | 21-30      |  | 5.00%                                    | 5.00%            |
|                                  | 31-40      |  | 3.00%                                    | 3.00%            |
|                                  | 41-59      |  | 2.00%                                    | 2.00%            |
| Mortality rate during employment |            | Indian Assured Lives Mortality (2012-14) | Indian Assured Lives Mortality (2012-14) |                  |



**1908 E-Ventures Private Limited****Notes forming part of the financial statements**

[Currency: Indian Rupees(Rs.)]

**32 Employee Benefits**

Assumption regarding the future mortality experience are set in accordance with the Indian Assured Live Mortality statistics (2012-14).

**Discount rate :-** The discount rate is based on the prevailing market yields of Indian government securities at the end of the reporting period for the estimated terms of obligations

**Salary escalation rate:-** The estimates of future salary increases take into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**ii. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

|                                      | <b>31st March, 2021</b> |          | <b>31st March, 2020</b> |          |
|--------------------------------------|-------------------------|----------|-------------------------|----------|
|                                      | Increase                | Decrease | Increase                | Decrease |
| Discount rate (0.5% movement)        | -9.13%                  | 10.37%   | -9.27%                  | 10.54%   |
| Future salary growth (0.5% movement) | 10.26%                  | -9.13%   | 10.42%                  | -9.25%   |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**iii. Expected future contributions to defined benefit plan**

|  | <b>31st March, 2021<br/>(Rs.)</b> | <b>31st March, 2020<br/>(Rs.)</b> |
|--|-----------------------------------|-----------------------------------|
| 1st following year (next reporting period) | 11,437                            | 6,735                             |
| 2nd following year                         | 10,740                            | 10,311                            |
| 3rd following year                         | 15,245                            | 9,781                             |
| 4th following year                         | 15,813                            | 12,485                            |
| 5th following year                         | 14,490                            | 11,867                            |
| 6th following year                         | 15,112                            | 10,793                            |
| 7th following year                         | 15,428                            | 11,266                            |
| 8th following year                         | 15,251                            | 11,380                            |
| 9th following year                         | 15,957                            | 11,177                            |
| 10th and following years                   | 18,94,621                         | 14,09,627                         |

The weighted average duration of the defined benefit obligation is 20 years (for 31st March, 2020: 19.45 years).

**Other long term retirement benefit**

The other long term retirement benefit compensated absences is recognised based on the actuarial valuation report for the relevant period. During the year company has recognised liability for compensated absences of Rs. 2,65,554 (Previous year Rs. 3,92,905).