

# B S R & Co. LLP

Chartered Accountants

8th floor, Business Plaza,  
Westin Hotel Campus,  
36/3-B, Koregaon Park Annex,  
Mundhwa Road, Ghorpadi,  
Pune - 411001, India

Telephone +91 20 6747 7300  
Fax +91 20 6747 7310

## Independent Auditor's Report

To the Members of Brainbees Solutions Private Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Brainbees Solutions Private Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

### Management's and Board of Directors'/Board of Trustees' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section

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## Independent Auditor's Report (Continued)

### Brainbees Solutions Private Limited

134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

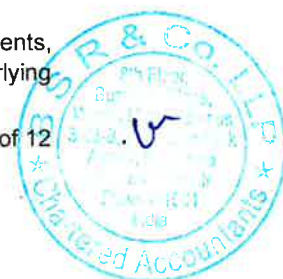
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**Independent Auditor's Report (Continued)**

**Brainbees Solutions Private Limited**

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 31 (A) to the standalone financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the Note 43 (g) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or



**Independent Auditor's Report (Continued)**

**Brainbees Solutions Private Limited**

- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 43 (h) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
  - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Kalpesh Khandelwal**

*Partner*

Place: Pune

Date: 22 August 2022

Membership No.: 133124

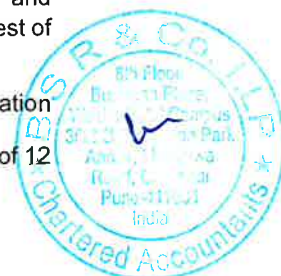
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**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Brainbees Solutions Private Limited for the year ended 31 March 2022**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once every two years. In accordance with this programme, all items of property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts have been verified. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and granted loans or advances in the nature of loans, secured or unsecured, in respect of which the requisite information is as below.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the company has not provided any guarantees or security during the year. The investments made and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company
- (c) According to the information and explanations given to us and on the basis of our examination



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Brainbees Solutions Private Limited for the year ended 31 March 2022 (Continued)**

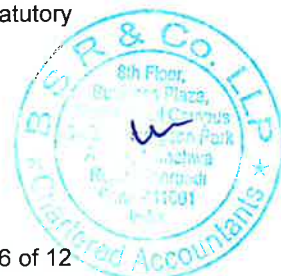
of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has not provided loans or advances in the nature of loans to any other entity. Accordingly, the provisions of this paragraph are not applicable to the Company.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products traded by the Company.. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Brainbees Solutions Private Limited for the year ended 31 March 2022 (Continued)**

Name of the statute	Nature of the dues	Amount (in INR million)	Amount paid under protest (in INR million)	Period to which the amount relates	Forum where dispute is pending
Income tax act, 1961	Income Tax	40.92	-	AY 2015-16	Commissioner of Income Tax (Appeals)
Income tax act, 1961	Income Tax	-*	-	AY 2016-17 AY 2017-18	Commissioner of Income Tax (Appeals)
Income tax act, 1961	Income Tax	16.35	2.53	AY 2016-17	Commissioner of Income Tax (Appeals)
Delhi Value Added Tax Act, 2004	VAT	1.68	-	FY 2014-15 FY 2015-16 FY 2016-17	Sales Tax Department#
Central Sales Tax Act, 1956 & Maharashtra Value Added Tax Act, 2002	Sales Tax and VAT	22.05	1.08	FY 2015-16	Joint Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	VAT	0.02	-	FY 2016-17	Sales Tax Department
Central Sales Tax Act, 1956	Sales Tax (C- Form submission)	2.13	-	FY 2015-16 FY 2016-17	Sales Tax Department
Maharashtra Value Added Tax Act, 2002	VAT	3.23	-	FY 2017-18	Deputy Commissioner of Sales Tax
Customs Act, 1962	Custom Duty	0.53	-	FY 2019-20 FY 2020-21	Deputy commissioner of Customs

(\*) The Company has received assessment order wherein certain expenses have been added back to the taxable income, thereby, reducing the brought forward losses.

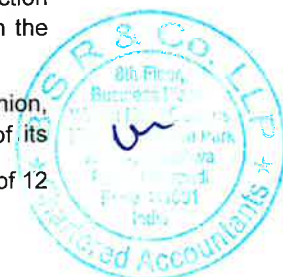
(#) The Company is in the process of filing appeal.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Brainbees Solutions Private Limited for the year ended 31 March 2022 (Continued)**

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us by the management, the Company has not raised any funds on short term basis during the year. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its





**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Brainbees Solutions Private Limited for the year ended 31 March 2022 (Continued)**

business.

- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project.



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**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Brainbees Solutions Private Limited for the year ended 31 March 2022 (Continued)**

Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Kalpesh Khandelwal**

*Partner*

Place: Pune

Date: 22 August 2022

Membership No.: 133124

ICAI UDIN:22133124APMOAU6226

**Annexure B to the Independent Auditor's Report on the standalone financial statements of Brainbees Solutions Private Limited for the year ended 31 March 2022**

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

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

**Opinion**

We have audited the internal financial controls with reference to financial statements of Brainbees Solutions Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

**Auditor's Responsibility**

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

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

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



**Annexure B to the Independent Auditor's Report on the standalone financial statements of Brainbees Solutions Private Limited for the year ended 31 March 2022 (Continued)**

**Meaning of Internal Financial Controls with Reference to Financial Statements**

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

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.: 101248W/W-100022

**Kalpesh Khandelwal**

*Partner*

Place: Pune

Date: 22 August 2022

Membership No.: 133124

ICAI UDIN: 22133124APMOAU6226



**Brainbees Solutions Private Limited**  
**Standalone Balance Sheet as at March 31, 2022**  
(All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,182.79	534.88
Capital work-in-progress	4	204.57	62.21
Right of use asset	5	2,695.23	1,367.58
Goodwill	6	3,032.47	3,032.47
Other Intangible assets	6	405.07	412.40
Intangible assets under development	6	1.25	3.94
Financial assets			
(a) Investments	7	10,108.49	3,149.56
(b) Loans	7 (a)	88.04	-
(b) Other financial assets	8 (a)	279.14	903.45
Deferred tax assets (net)	9	1,108.20	1,261.72
Income tax assets (net)	10	102.36	15.76
Other non-current assets	11 (a)	346.72	266.80
<b>Total non-current assets</b>		<b>19,554.33</b>	<b>11,010.77</b>
<b>Current assets</b>			
Inventories	12	7,696.70	4,319.89
Financial assets			
(a) Trade receivables	13	1,446.50	1,286.78
(b) Cash and cash equivalents	14	1,967.13	2,671.18
(c) Bank balances other than (b) above		10,463.14	18,993.95
(d) Other financial assets	8 (b)	195.66	640.84
Other current assets	11 (b)	1,932.61	840.31
<b>Total current assets</b>		<b>23,701.75</b>	<b>28,752.95</b>
<b>Total Assets</b>		<b>43,256.08</b>	<b>39,763.72</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	15(a)	865.89	714.48
Instruments entirely equity in nature	15(b)	70.37	70.43
Other equity	16	34,638.15	34,567.73
<b>Total equity</b>		<b>35,574.41</b>	<b>35,352.64</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(a) Lease liabilities		2,423.78	1,137.17
(b) Other financial liabilities	18 (a)	4.40	4.38
Provisions	19 (a)	115.38	97.80
<b>Total non-current liabilities</b>		<b>2,543.56</b>	<b>1,239.35</b>
<b>Current liabilities</b>			
Financial liabilities			
(a) Lease liabilities		430.86	285.85
(b) Trade payables			
Dues of micro enterprises and small enterprises	20	23.65	33.17
Dues of creditors other than micro enterprises and small enterprises	20	3,830.77	2,408.50
(c) Other financial liabilities	18 (b)	270.35	83.47
Other current liabilities	21	552.47	337.48
Provisions	19 (b)	30.00	23.26
<b>Total current liabilities</b>		<b>5,138.11</b>	<b>3,171.73</b>
<b>Total equity and liabilities</b>		<b>43,256.08</b>	<b>39,763.72</b>

Summary of significant accounting policies

2-3

See accompanying notes forming Integral part of financial statements

4-44

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration number - 101248W/W-100022

Kalpesh Khandelwal

Partner

Membership No. - 133124

Place : Pune

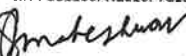
Date : 22 August 2022

UDIN : 22133124APMOAU6226

For and on behalf of the Board of Directors

Brainbees Solutions Private Limited

CIN : U51100PN2010PTC136340



Supam Maheshwari

Managing Director

DIN : 01730685

Place : Pune

Date : 22 August 2022



Amitava Saha

Director

DIN : 02655827

Place : Pune

Date : 22 August 2022



Gautam Sharma

Chief Financial Officer

Place : Pune

Date : 22 August 2022



Samantha Rego

Company Secretary

Place : Pune

Date : 22 August 2022

**Brainbees Solutions Private Limited**  
**Standalone Statement of Profit and Loss for year ended March 31, 2022**  
 (All amounts in Rupees millions, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from operations	22	17,523.86	13,092.85
Other income	23	898.92	1,345.51
<b>Total Income</b>		<b>18,422.78</b>	<b>14,438.36</b>
<b>Expenses</b>			
Purchases of stock-in-trade		14,590.88	9,786.07
Changes in inventories of Stock-in-Trade	24	(3,376.81)	(1,474.47)
Employee benefits expense			
(i) Employee benefits expense	25(a)	1,706.45	1,414.31
(ii) Employee share based payment expense	25(b)	827.30	443.86
Finance cost	26	231.18	123.73
Depreciation and amortisation expense	27	868.20	598.90
Other expenses	28	3,237.84	1,968.87
<b>Total expenses</b>		<b>18,085.04</b>	<b>12,861.27</b>
<b>Profit before tax</b>		<b>337.74</b>	<b>1,577.09</b>
<b>Tax expense</b>	29		
Current tax			
Deferred tax		(149.98)	1,261.58
<b>Total tax expense</b>		<b>(149.98)</b>	<b>1,261.58</b>
<b>Profit for the year</b>		<b>187.76</b>	<b>2,838.67</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to statement of profit or loss			
Re-measurement of post-employment benefit obligations		14.06	(0.54)
Income tax relating to items that will not be reclassified to statement of profit or loss		(3.54)	0.14
<b>Total other comprehensive income</b>		<b>10.52</b>	<b>(0.41)</b>
<b>Total comprehensive income for the year</b>		<b>198.28</b>	<b>2,838.26</b>
<b>Earning per equity share</b>			
Basis earning per share (INR)	30	1.13	19.39
Diluted earning per share (INR)	30	1.11	18.91

As per our report of even date attached

**For B S R & Co. LLP**  
 Chartered Accountants  
 Firm Registration number - 101248W/W-100022



**Kalpesh Khandelwal**  
 Partner  
 Membership No. - 133124  
 Place : Pune  
 Date : 22 August 2022  
 UDIN : 22133124APMOAU6226

**For and on behalf of the Board of Directors**  
**Brainbees Solutions Private Limited**  
 CIN : U51100PN2010PTC136340

**Supam Maheshwari**      **Amitava Saha**  
 Managing Director      Director  
 DIN : 01730685      DIN : 02655827  
 Place : Pune      Place : Pune  
 Date : 22 August 2022      Date : 22 August 2022

**Gautam Sharma**      **Samantha Rego**  
 Chief Financial Officer      Company Secretary  
 Place : Pune      Place : Pune  
 Date : 22 August 2022      Date : 22 August 2022

**Brainbees Solutions Private Limited**  
**Standalone Statement of Changes in Equity for the year ended March 31, 2022**  
(All amounts in Rupees millions, unless otherwise stated)

**A Equity share capital**

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	6,953.30	6,861.60
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	6,953.30	6,861.60
Changes in equity share capital during the year	151.41	91.70
<b>Balance as at end of the year</b>	<b>7,104.71</b>	<b>6,953.30</b>

**B Instruments entirely equity in nature**

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	70.43	70.43
Changes in Instruments entirely equity in nature due to prior period errors	-	-
Restated balance at the beginning of the year	70.43	70.43
Changes in Instruments entirely equity in nature during the year	(0.06)	-
<b>Balance as at end of the year</b>	<b>70.37</b>	<b>70.43</b>

**C Other equity**

Particulars	Attributable to the owners of the Company					
	Reserves & Surplus					Total
	Retained earnings	Share options outstanding account	Securities premium	Capital redemption reserve	Remeasurement of the net defined benefit Plans	Total attributable to owners of the Company
Balance as at 1 April 2020	2,295.52	498.41	20,930.78	0.04	23.28	23,748.03
Profit for the year	2,838.68	-	-	-	-	2,838.68
Other comprehensive income (net of tax)	-	-	-	-	(0.41)	(0.41)
Total comprehensive income for the year	2,838.68	-	-	-	(0.41)	2,838.27
Transactions with owners, recorded directly in equity						
Share-based payment Expense	-	458.18	-	-	-	458.18
Premium on issue of Series E Equity Shares	-	-	6,945.71	-	-	6,945.71
Premium on issue of Series Equity Shares	-	-	947.41	-	-	947.41
Buyback of shares during the year	-	-	(307.57)	6.55	-	(301.02)
Tax on Buyback of shares	(68.85)	-	-	-	-	(68.85)
Total transactions with owners	(68.85)	458.18	7,585.55	6.55	-	7,981.43
Balance at 31 March 2021	5,065.35	956.59	28,516.33	6.59	22.87	34,567.73

Particulars	Attributable to the owners of the Company					Total attributable to owners of the Company	
	Reserves & Surplus						Total
	Retained earnings	Share options outstanding account	Securities premium	Capital redemption reserve	Remeasurement of the net defined benefit Plans		
Balance as at 1 April 2021	5,065.35	956.59	28,516.33	6.59	22.87	34,567.73	
Profit for the year	187.76	-	-	-	-	187.76	
Other comprehensive income (net of tax)	-	-	-	-	10.52	10.52	
Total comprehensive income for the year	187.76	-	-	-	10.52	198.28	
Transactions with owners, recorded directly in equity							
Share-based payment Expense	-	841.17	-	-	-	841.17	
Transfer on account of exercise of Stock Options	-	(298.37)	298.37	-	-	-	
Premium on exercise of Stock Options	-	-	12.25	-	-	12.25	
On account of Conversion of Option 1 CCPS into Equity Shares	(22.80)	-	-	-	-	(22.80)	
Transferred from share option outstanding account to retained earnings	309.44	(309.44)	-	-	-	-	
Repurchase of Equity Interest (Refer Note 37)	(726.97)	(231.50)	-	-	-	(958.47)	
Total transactions with owners	(440.33)	1.86	310.62	-	-	(127.85)	
Balance at 31 March 2022	4,812.78	958.44	28,826.95	6.59	33.39	34,638.16	

As per our report of even date attached  
**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration number - 101248W/W-100022

*Kalpesh Khandelwal*

**Kalpesh Khandelwal**  
Partner  
Membership No. - 133124  
Place : Pune  
Date : 22 August 2022  
UDIN : 22133124APMOAU6226

For and on behalf of the Board of Directors  
**Brainbees Solutions Private Limited**  
CIN : U51100PN2010PTC136340

*Supam Maheshwari*

**Supam Maheshwari**  
Managing Director  
DIN : 01730685  
Place : Pune  
Date : 22 August 2022

*Gautam Sharma*  
**Gautam Sharma**  
Chief Financial Officer  
Place : Pune  
Date : 22 August 2022

*Amitava Saha*

**Amitava Saha**  
Director  
DIN : 02655827  
Place : Pune  
Date : 22 August 2022

*Samantha Rego*  
**Samantha Rego**  
Company Secretary  
Place : Pune  
Date : 22 August 2022

**Brainbees Solutions Private Limited**  
**Standalone Statement of Cash Flows for the year ended March 31, 2022**  
**(All amounts in Rupees millions, unless otherwise stated)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Net Profit Before Tax as per Statement of Profit and Loss	337.74	1,577.09
Adjustments for:		
Depreciation on property, plant and equipment	327.10	210.03
Amortisation of intangible assets	38.08	39.94
Amortisation of right of use assets	503.02	348.93
Employee share based payment expense	827.30	443.86
Debtors written off	2.64	0.32
Unrealised foreign currency gain	(5.22)	(2.84)
Net Loss on Sale of Property Plant & Equipments	-	5.47
(Gain) on Termination on Leases	-	(5.01)
Rent Concession	(7.36)	(36.45)
Interest income on fixed deposits with banks	(789.27)	(1,011.84)
Interest income on security deposits	(13.75)	(9.89)
Finance costs	231.18	123.73
<b>Operating cash flow before working capital changes</b>	<b>1,451.46</b>	<b>1,683.34</b>
Working capital changes		
(Increase)/Decrease in trade receivables	(157.22)	(428.37)
(Increase)/Decrease in inventories	(3,376.81)	(1,474.47)
(Increase)/Decrease in other financial assets	(19.37)	(242.02)
(Increase)/Decrease in other non-current assets	(79.91)	(16.42)
(Increase)/Decrease in other current assets	(1,092.31)	(145.35)
Increase/(Decrease) in trade payables	1,412.76	720.43
Increase/(Decrease) in other current liabilities	214.99	137.18
Increase/(Decrease) in provisions	38.37	42.32
Increase/(Decrease) in current and non-current financial liabilities	186.90	(115.46)
<b>Cash generated from operating activities</b>	<b>(1,421.14)</b>	<b>161.18</b>
Income tax paid (net of refund received)	(86.59)	31.97
<b>Net cash used in operating activities (A)</b>	<b>(1,507.73)</b>	<b>193.15</b>
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment	(1,117.38)	(245.13)
Proceeds from sale of property, plant and equipment	-	8.39
Acquisition of intangible assets	(28.07)	(23.95)
Investments in Bank deposits	(27,221.75)	(8,054.27)
Proceeds from Bank deposits	36,490.75	3,771.10
Investments in subsidiaries and other entities	(6,945.07)	(2,630.31)
Loans Given to Subsidiaries	(88.04)	-
Acquisition of FOFO pre school business	-	-
Interest received	1,050.06	912.16
<b>Net cash (used)/generated in investing activities (B)</b>	<b>2,140.50</b>	<b>(6,262.01)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares	54.99	98.25
Net Proceeds from Rights Issue	73.56	-
Proceeds from securities premium	12.25	7,893.12
Amount paid on account of Shares bought back	-	(376.42)
Amount paid on Repurchase of Equity Interest (Refer Note 37)	(958.47)	-
Repayment of lease liabilities (including Interest)	(519.16)	(340.71)
Interest paid	-	(0.59)
<b>Net cash generated from financing activities (C)</b>	<b>(1,336.83)</b>	<b>7,273.65</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(704.06)</b>	<b>1,204.79</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,671.19</b>	<b>1,463.55</b>
<b>Exchange Fluctuation on foreign currency bank balance</b>	<b>-</b>	<b>2.84</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,967.13</b>	<b>2,671.19</b>

**Notes:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>1. Components of cash and cash equivalents:</b>			
Cash on hand	0.49	0.77	0.77
Balances with banks			
In current accounts	466.64	1,140.41	143.20
In deposit accounts having original maturity less than 3 months	1,500.00	1,530.00	1,319.60
<b>Total</b>	<b>1,967.13</b>	<b>2,671.19</b>	<b>1,463.55</b>





**Brainbees Solutions Private Limited**  
**Standalone Statement of Cash Flows for the year ended March 31, 2022**  
**(All amounts in Rupees millions, unless otherwise stated)**  
**Movement in financial liabilities**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance of lease liabilities	1,423.02	866.59
Movement		
Cash flows	(519.16)	(340.71)
Non cash changes	1,950.76	897.14
Closing balance of lease liabilities	2,854.63	1,423.02

Non-cash movement represents:

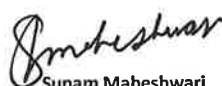
- With respect to leases, accrual of interest on lease liabilities, rent concessions, new additions and deletions to the leases.

As per our report of even date attached  
**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration number - 101248W/W-100022



**Kalpesh Khandelwal**  
Partner  
Membership No. - 133124  
Place : Pune  
Date : 22 August 2022  
UDIN :

**For and on behalf of the Board of Directors**  
**Brainbees Solutions Private Limited**  
CIN : U51100PN2010PTC136340



**Supam Maheshwari**  
Managing Director  
DIN : 01730685  
Place : Pune  
Date : 22 August 2022



**Amitava Saha**  
Director  
DIN : 02655827  
Place : Pune  
Date : 22 August 2022



**Gautam Sharma**  
Chief Financial Officer  
Place : Pune  
Date : 22 August 2022



**Samantha Rego**  
Company Secretary  
Place : Pune  
Date : 22 August 2022

**Brainbees Solutions Private Limited**  
**Notes forming part of these financial statements**  
(All amounts in Rupees millions, unless otherwise stated)

**1 Reporting entity**

Brainbees Solutions Private Limited (the 'Company') is a company domiciled in India, with its registered office situated in Pune. The Company is engaged in the business of buying, selling, advertising, promoting baby and kids products and Fast Moving Consumer Goods ('FMCG') goods on a wholesale basis through various business partners. During the financial year 2019-20, the Company has also ventured into pre school business for kids through various franchisee partners in India.

**2 Basis of preparation for financial statements**

**A. Statement of compliance**

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

The standalone financial statements were authorised for issue by the Company's Board of Directors on August 22, 2022.  
Details of the Company's accounting policies are included in Note 3.

**B. Functional and presentation currency**

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

**C. Basis of measurement**

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Equity-settled share-based payment arrangements	Fair value

**D. Going concern assumptions**

These financial statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the outbreak of COVID 19, as explained in Note 2 (E) of Financial Statements, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of these financial statements. Management believes that the Company will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of these financial statements based on the following:

- I. Expected future operating cash flows based on business projections, and
- II. Available liquid assets with the company.

Based on the above factors, Management has concluded that the "going concern" assumption is appropriate. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone Financial Statements and believes that the impact of COVID-19 is not material to these standalone Financial Statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone Financial Statements may differ from that estimated as at the date of approval of these standalone Financial Statements owing to the nature and duration of COVID-19.

**E. Use of estimates and judgements**

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.



**Brainbees Solutions Private Limited**

**Notes forming part of these standalone financial statements (continued)**  
(All amounts in Rupees millions, unless otherwise stated)

**2 Basis of preparation (continued)**

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are included in the following notes:

- Note 3(e)(ii) Impairment of goodwill and brand value: key assumptions being discount rate and terminal growth rate.
- Note 9 Recognition of DTA, availability of future taxable profit against which tax losses carried forward can be used.
- Note 33 measurement of defined benefit obligations: key actuarial assumptions;
- Note 37 Fair Value of ESOPs.

**F. Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values wherein the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values is supervised by the chief financial officer.

This includes reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified is assessed.

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

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

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 37 - Share based payment arrangements
- Note 38 - Fair value measurements
- Note 39 - Financial Instruments

**G. Current / non-current classification**

All assets and liabilities are classified into current and non-current :-

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

**Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The operating cycle of the Company is less than 12 months.



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**3 Significant accounting policies**

**a. Financial instruments**

**i. Recognition and initial measurement**

Trade receivables and debt instruments (such as security deposits) issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**ii. Classification and subsequent measurement**

**Financial assets**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) - debt investment;
- Fair Value through Other Comprehensive Income (FVOCI) - equity investment; or
- Fair Value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, at FVTPL including any interest or dividend income, are recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.





**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
(All amounts in Rupees millions, unless otherwise stated)

**3 Significant accounting policies (continued)**

**a. Financial Instruments (continued)**

**Financial liabilities**

**Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**iii. Derecognition**

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

**iv. Offsetting**

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

**b. Property, plant and equipment**

**i. Recognition and measurement**

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

Capital work-in-progress is stated at cost, net of accumulated impairment losses, if any.

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**3 Significant accounting policies (continued)**

**b. Property, plant and equipment (continued)**

**iii. Depreciation**

Depreciation is calculated on costs of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are in line with those specified in Schedule II to the Companies Act, 2013 and are as follows:

Asset	Useful life (years)
Computers	3
Network and Servers (disclosed within Computers)	6
Office equipment	5
Furniture and fixtures	10
Furniture and fixtures - Bin Boxes	2
Leasehold improvements	5 (over the period of the lease)
Plant and machinery	15

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

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

**c. Goodwill and other intangible assets**

**i. Goodwill and brand value**

Initial measurement of goodwill and brand value that arises on a business combination is done at fair values. Subsequent measurement is at cost less any accumulated impairment losses.

**ii. Customer contracts**

The Company recognises an contract value arising on business combination to the extent it has received the customer contract through such business combination. The fair value, at the time of initial recognition of such an intangible asset received as consideration for acquiring these customer contracts through such arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset's amortization method and amortization period is reviewed by the management and changes in the estimated useful life are made if the same are expected to be used for shorter period than the initial estimated period.

**iii. Content writing**

The Company recognises Intangible for content writing initially at cost. Subsequent measurement is at cost less accumulated amortisation and impairment loss, if any.

**iv. Other intangible assets**

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

**v. Internally generated Intangible Asset**

Research costs are charged to the statement of Profit and Loss in the year in which they are incurred. Platform development costs incurred are recognised as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate future economic benefits. The costs capitalised includes the salary cost of employees exclusively working on platform development upto the date the asset is available for use. Platform costs is amortised on a straight line basis over a period of 4 years.

Platform development is measured at cost less accumulated amortisation and accumulated impairment, if any

**vi. Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.



**Brainbees Solutions Private Limited****Notes forming part of these standalone financial statements (continued)**

(All amounts in Rupees millions, unless otherwise stated)

**3 Significant accounting policies (continued)****c. Goodwill and other intangible assets (continued)****v. Amortisation**

Goodwill and brand value are not amortised and are tested for impairment annually.

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

The estimated useful lives are as follows:

Asset	Useful life (years)
Computer software	1-5
Contract value	7.6
Content Writing	4
Dubai Platform	4
Brand - School	3.5

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

**d. Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average method, and includes expenditure incurred in acquiring the inventories, and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses and discounts.

The comparison of cost and net realisable value is made on an item-by-item basis.

**e. Impairment****i. Impairment of financial instruments**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

**ii. Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and brand value are tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
(All amounts in Rupees millions, unless otherwise stated)

**3 Significant accounting policies (continued)**

**e. Impairment (continued)**

**ii. Impairment of non-financial assets (continued)**

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation or depreciation, if no impairment loss had been recognised.

**f. Employee benefits**

**i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**ii. Share-based payment transactions**

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**iii. Defined contribution plans**

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

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**iv. Defined benefit plans**

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

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.





**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**3 Significant accounting policies (continued)**

**f. Employee benefits (continued)**

**v. Other long term employee benefit**

The Company's liability in respect of other long-term employee benefits (compensated absences) is the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the Projected Unit Credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

**g. Provisions (other than for employee benefits), Contingent liabilities and contingent assets**

**i. Provisions (other than for employee benefits)**

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

**ii. Contingent liabilities and contingent assets**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount can not be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

**h. Revenue**

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Company expects to be entitled for those goods/ services.

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

**i. Revenue from sale of products**

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Goods and Service Tax (GST) is not received by the Company in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The Company generally works on cash and carry model.

**ii. Loyalty points programmes**

For customer loyalty programmes, the fair value of the consideration received or receivable in respect of the initial sale is allocated between the loyalty points and the other components of the sale. The amount allocated to loyalty points is deferred and is recognised as revenue when the loyalty points are redeemed and the Company has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the award credits will be redeemed.

**iii. Internet display charges**

Income from internet display charges is recognised on an accrual basis to the extent that it is probable that the economic benefits will flow to the Company and the revenue from such services can be reliably measured. The performance obligation is satisfied over a time and payment is generally due within 30 to 60 days from satisfaction of performance obligation.

**iv. Service income**

Service income arising from Brand & Platform (Website) License usage is recognised on an accrual basis and in accordance with the agreement. The performance obligation is satisfied over a time and payment is generally due within 45 days from satisfaction of performance obligation.



**Brainbees Solutions Private Limited**

**Notes forming part of these standalone financial statements (continued)**

(All amounts in Rupees millions, unless otherwise stated)

**3 Significant accounting policies (continued)**

**h. Revenue (continued)**

**v. Preschool revenue**

Revenue from royalty and sales of student kit to franchisee schools is recognised on accrual basis during the academic year.

**vi. Contract balances**

The Policy for Contract balances i.e. contract assets, trade receivables and contract liabilities is as follows:

**a. Contract assets and trade receivables**

The Company classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current asset. Trade receivables and unbilled revenue is presented net of impairment. Refer to accounting policies of financial assets in financial instruments – initial recognition and subsequent measurement.

**b. Contract liabilities**

A contract liability is the obligation to deliver services to a customer for which the Company has received consideration or part thereof (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company deliver services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**i. Other Income**

**i. Recognition of interest income or expense**

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**ii. Rental income**

Rental income from sub-leasing activities is recognised on an accrual basis based on the underlying sub-lease arrangements.

**iii. Income from support services**

Income from support services are recognised when the services are performed and recovery of the consideration is certain.

**j. Income tax**

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

**i. Current tax**

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

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



**Brainbees Solutions Private Limited**

**Notes forming part of these standalone financial statements (continued)**

(All amounts in Rupees millions, unless otherwise stated)

**3 Significant accounting policies (continued)**

**j. Income tax (continued)**

**ii. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**k. Borrowing cost**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**m. Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the following:

- fair value of assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the company; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is a clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

**l. Foreign currency transactions**

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange difference are recognised in profit and loss.



**Brainbees Solutions Private Limited**

**Notes forming part of these standalone financial statements (continued)**

(All amounts in Rupees millions, unless otherwise stated)

**3 Significant accounting policies (continued)**

**m. Cash and cash equivalents**

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

**n. Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option in assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

**Company as a lessee**

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of use asset measured at inception shall comprise of the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets subsequently measured at cost less any accumulated amortisation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right of use asset is depreciated in the straight line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment where there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the standalone statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised substance fixed lease payments. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Where the Company is the lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset is classified as an operating lease. Assets subject to operating leases are included in the property, plant and equipment. Rental income on an operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss.

**COVID 19 - Related Rent Concessions**

The amendments to Ind AS 116 provide a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the COVID 19 pandemic.

Many lessors have provided rent concessions to lessees as a result of the COVID 19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted COVID 19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.



**Brainbees Solutions Private Limited**

**Notes forming part of these standalone financial statements (continued)**

(All amounts in Rupees millions, unless otherwise stated)

**3 Significant accounting policies (continued)**

**n. Leases (continued)**

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

(ii) Any reduction in lease payments affects only payments originally due on or before June 30, 2021.

(iii) There is no substantive change to other terms and conditions of the lease.

Pursuant to the above amendment, the Group has applied the practical expedient with effect from April 01, 2020. The Group has accounted the unconditional rent concessions in "Miscellaneous Income" in the Statement of Profit and Loss.

**o. Earning per share**

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

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

**p. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company are identified as Chief operating decision maker. Refer note 31 for segment information.





**Brainbees Solutions Private Limited**

#### 4 Property, plant and equipment and capital work-in-progress

Particulars	Leasehold Improvements	Plant and machinery	Furniture and fixtures	Office equipment	Computer	Total (A)	Capital work in progress (B)	Total (A+B)
<b>Gross Block</b>								
Balance at 1 April 2020	54.19	16.94	380.10	69.49	104.42	625.14	225.60	850.74
Additions for the year	97.11	13.24	248.22	13.68	36.28	408.52	140.08	548.60
Disposals during the year	(1.70)	(1.15)	(67.44)	(2.84)	(2.44)	(75.56)	-	(75.56)
Capitalised / transfer during the year							(303.47)	(303.47)
<b>Balance at 31 March 2021</b>	<b>149.60</b>	<b>29.04</b>	<b>560.87</b>	<b>80.33</b>	<b>138.27</b>	<b>958.10</b>	<b>62.21</b>	<b>1,020.31</b>
Balance as at 1 April 2021	149.60	29.04	560.87	80.33	138.27	958.10	62.21	1,020.32
Additions for the year	249.93	59.22	547.93	55.43	62.50	975.01	788.50	1,763.51
Disposals during the year	-	-	-	-	-	-	-	-
Capitalised / transfer during the year	-	-	-	-	-	-	(646.13)	(646.13)
<b>Balance as at 31 March 2022</b>	<b>399.53</b>	<b>88.26</b>	<b>1,108.80</b>	<b>135.76</b>	<b>200.77</b>	<b>1,933.11</b>	<b>204.57</b>	<b>2,783.83</b>
<b>Accumulated Depreciation</b>								
Balance as at 1 April 2020	35.69	3.34	139.85	29.97	66.08	274.94	-	274.94
Depreciation for the year	25.56	7.62	121.56	21.21	34.08	210.03	-	210.03
Disposals during the year	(1.60)	(0.72)	(54.73)	(2.41)	(2.29)	(61.75)	-	(61.75)
Balance as at 31 March 2021	59.65	10.24	206.68	48.77	97.88	423.22	-	423.22
Balance as at 1 April 2021	59.65	10.24	206.68	48.77	97.88	423.21	-	423.21
Depreciation for the year	80.24	13.48	163.80	26.41	43.18	327.10	-	327.10
Disposals during the year	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	139.89	23.72	370.48	75.18	141.06	750.32	-	750.32
<b>Carrying amounts (net)</b>								
Balance as at 31 March 2021	89.95	18.80	354.19	31.56	40.39	534.88	62.21	597.09
Balance as at 31 March 2022	259.64	64.54	738.32	60.58	59.71	1,182.79	204.57	1,387.37

**Note:**

The Company has opted cost model for all the Property, plant and equipments and none of the Property, plant and equipments are revalued.



**Brainbees Solutions Private Limited****Notes forming part of these standalone financial statements (continued)****(All amounts in Rupees millions, unless otherwise stated)****4(a) Ageing schedule of Capital-work-in progress****As at 31 March 2022**

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	204.57	-	-	-	204.57
Projects temporarily suspended	-	-	-	-	-

**As at 31 March 2021**

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	62.21	-	-	-	62.21
Projects temporarily suspended	-	-	-	-	-

**Note:** There are no capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.



Brainbees Solutions Private Limited  
Notes forming part of these standalone financial statements (continued)  
(All amounts in Rupees millions, unless otherwise stated)

6 Intangible assets

Particulars	Computer software	Brand value	Contract value	Goodwill	Content Writing	Trademark	Platform	Total	Intangible Asset under Development	Total
<b>Gross Block</b>										
Balance as at 1 April 2020	20.99	370.41	197.67	3,032.47	41.75	-	8.08	3,671.37	6.25	6.25
Additions for the year	7.87	-	-	-	15.17	3.23	-	26.27	0.91	0.91
Disposals during the year	(0.30)	-	-	-	-	-	-	(0.30)	-	-
Transfers during the year	-	-	-	-	-	-	-	-	(3.23)	(3.23)
Balance as at 31 March 2021	28.56	370.41	197.67	3,032.47	56.92	3.23	8.08	3,697.34	3.94	3.94
<b>Balance as at 1 April 2021</b>										
Balance as at 1 April 2021	28.56	370.41	197.67	3,032.47	56.92	3.23	8.08	3,697.34	3.94	3.94
Additions for the year	12.23	-	-	-	15.46	3.07	-	30.75	0.38	0.38
Disposals during the year	-	-	-	-	-	-	-	-	-	-
Transfers during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	40.79	370.41	197.67	3,032.47	72.38	6.30	8.08	3,728.09	(3.07)	(3.07)
<b>Accumulated amortisation</b>										
Balance as at 1 April 2020	15.80	5.49	180.70	-	9.50	-	1.32	212.82	-	-
Amortisation for the year	6.83	11.79	4.24	-	14.74	0.32	2.02	39.94	-	-
Disposals during the year	(0.28)	-	-	-	-	-	-	(0.28)	-	-
Balance as at 31 March 2021	22.35	17.29	184.94	-	24.24	0.32	3.34	252.48	-	-
<b>Balance as at 1 April 2021</b>										
Balance as at 1 April 2021	22.35	17.29	184.94	-	24.24	0.32	3.34	252.48	-	-
Amortisation for the year	10.69	5.09	4.24	-	15.34	0.71	2.02	38.08	-	-
Disposals during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	33.04	22.37	189.17	-	39.57	1.03	5.36	290.56	-	-
<b>Carrying amounts (net)</b>										
Balance as at 31 March 2021	6.21	353.12	12.73	3,032.47	32.69	2.90	4.74	3,444.86	3.94	3.94
Balance as at 31 March 2022	7.74	348.04	8.50	3,032.47	32.81	5.27	2.72	3,437.54	1.25	1.25



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**6(a) Ageing Schedule of Intangible assets under development**

**As at 31 March 2022**

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.15	1.10	-	-	1.25
Projects temporarily suspended	-	-	-	-	-

**As at 31 March 2021**

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.91	3.03	-	-	3.94
Projects temporarily suspended	-	-	-	-	-

**Note:** There are no Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

**6(b) Impairment assessment for goodwill**

Goodwill is tested for impairment on an annual basis. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's Cash Generating Unit (CGU) or Companies of CGUs expected to benefit from the synergies arising from the business combinations. A CGU is the smallest identifiable Company of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Company of assets.

Goodwill acquired through business combinations with indefinite lives has been allocated to the following CGU's:

Particulars	As at March 31, 2022	As at March 31, 2021
Goodwill	30,324.67	30,324.67
Brand	3,444.10	3,444.10
<b>Total</b>	<b>33,768.77</b>	<b>33,768.77</b>

Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of CGU is higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU.

The carrying amount was computed by allocating the net assets to the CGU for the purpose of impairment testing.

Value-in-use is calculated using after tax assumptions. The use of after tax assumptions does not result in a value-in-use that is materially different from the value-in-use that would result if the calculation was performed using before tax assumptions.

The average range of key assumptions used for calculation of value in use are as follows:

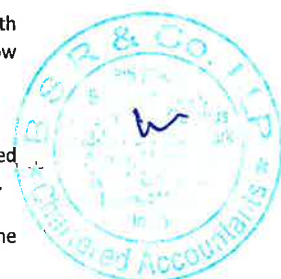
Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	10.00-22.00%	14.50-22.00%
Terminal growth rate	5.00-5.50%	5.00-5.50%

The discount rate is a pre-tax measure based on the rate of 10 year government bonds issued by government in the relevant market and in the same currency as the cash flows, adjusted for risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of specified CGU.

The cash flow projection include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate at which company's free cash flow are expected to grow perpetually beyond the explicit period, consistent with the assumptions that a market participant would make.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash - generating unit.

Based on the above, no impairment was identified as of March 31, 2022 and March 31, 2021 as the recoverable value of the CGUs exceeded the carrying value.



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**5 Right-of-use assets**

The changes in the carrying value of ROU assets for the year ended March 31, 2022, and year ended March 31, 2021 are as follows:

Particulars	Buildings	Total
Balance as on April 1, 2020	868.23	868.23
Additions during the year	900.26	900.26
Deletions during the year	(51.98)	(51.98)
Amortisation for the year	(348.93)	(348.93)
<b>Balance as on March 31, 2021</b>	<b>1,367.57</b>	<b>1,367.57</b>
Balance as on April 1, 2021	1,367.57	1,367.57
Additions during the year	1,830.66	1,830.66
Deletions during the year	-	-
Amortisation for the year	(503.02)	(503.02)
<b>Balance as on March 31, 2022</b>	<b>2,695.22</b>	<b>2,695.22</b>

The aggregate amortisation expense on ROU assets is included under amortisation and amortisation expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021 is as follows:

Particulars	As At March 31, 2022	As At March 31, 2021
Current lease liabilities	430.86	285.85
Non-current lease liabilities	2,423.78	1,137.17
<b>Total lease liabilities</b>	<b>2,854.64</b>	<b>1,423.02</b>

The movement in lease liabilities during the period/year ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	As At March 31, 2022	As At March 31, 2021
Opening Balance	1,423.02	866.59
Additions during the year	1,726.95	865.75
Interest Cost accrued during the year	231.18	123.14
Rent Concessions during the year (Refer Note 3n)	(7.36)	(36.45)
Deletions during the year	-	(55.30)
Payments made during the year	(519.16)	(340.70)
<b>Closing Balance</b>	<b>2,854.63</b>	<b>1,423.02</b>

**Amounts recognised in the Statement of profit and loss**

Particulars	As At March 31, 2022	As At March 31, 2021
Amortisation expense on right-of-use assets (refer note 27)	503.02	348.93
Interest expense on lease liabilities (refer note 26)	231.18	123.14
Expenses related to short-term leases or low value leases (included in other expenses)	28.58	12.03
Rent Concessions during the year (Refer Note 3n)	(7.36)	(36.45)
Gain on termination of lease contract (included in other income) (refer note 23)	-	5.011

**Amounts recognised in the Statement of cashflows**

Particulars	As At March 31, 2022	As At March 31, 2021
Cash outflow for leases	(519.16)	(340.71)

Notes:

When measuring lease liabilities for operating leases, the Company discounted lease payments using its incremental borrowing rate at the date of inception of the leases. The weighted average pre tax rate applied is 10% p.a. for all the period/years. For maturity analysis of lease liabilities, refer note 39(iii).





**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
(All amounts in Rupees millions, unless otherwise stated)

**7 Non-current investments**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investment in equity instruments</b>		
<b>Unquoted - Carried at cost</b>		
<b>Investment in equity instruments of subsidiaries (fully paid up)*</b>		
Firstcry Management DWC LLC: 12,20,00,000 (March 31, 2021: 9,40,00,000) equity shares of face value of AED 1 per share	2,479.63	1,892.14
Shenzhen Starbees Services Ltd: Registered Capital Contribution of USD 2,00,000 (March 31, 2021: USD 2,00,000)	14.21	18.70
Intellibeas Solutions Private Limited: 9,999 (March 31, 2021: 9,999) equity shares of face value of Rs. 10 per share	0.10	0.10
Joybees Private Limited: 9,999 (March 31, 2022: 9,999; ) equity shares of face value of Rs. 10 per share	0.10	-
Swara Baby Products Private Limited: 6,14,130 (March 31, 2021: 6,14,130) equity shares of face value of Rs. 10 per share **	32.50	32.50
Firmroots Private Limited: 8,002 (March 31, 2021: 8,002) equity shares of face value of Rs. 10 per share #	27.27	27.27
Solis Hygiene Private Limited: 52,890 (March 31, 2021: 52,890, Rs.5.35 paid up) Series A equity shares of face value of Rs. 10 per share	373.35	199.74
Globalbees Brands Private Limited 75,249 (March 31, 2021: Nil) Equity shares of Rs. 5 each and 7,906 (March 31, 2021: Nil) Series C Equity Shares of Rs. 5 each	6,202.22	-
<b>Investment in preference shares</b>		
<b>Unquoted - Carried at cost</b>		
<b>Investment in preference shares of subsidiaries</b>		
Swara Baby Products Private Limited: 1,28,48,221 (March 31, 2021: 1,28,48,221) Series A Compulsorily Convertible Preference Shares of face value of Rs. 10 per share**	873.68	873.68
Firmroots Private Limited: 715 (March 31, 2021: 715) Seed C Compulsorily Convertible Preference Shares of face value of Rs. 10 per share and 1,00,00,000 (March 31, 2021: 1,00,00,000) Series A Compulsorily Convertible Preference Shares of face value of Rs. 10 per share #	105.42	105.42
<b>Investment in trusts - Carried at cost</b>		
Edubees Educational Trust Corpus fund contribution	0.01	0.01
<b>Total</b>	<b>10,108.49</b>	<b>3,149.56</b>
<b>Aggregate amount of unquoted investments</b>	<b>10,108.49</b>	<b>3,149.56</b>

\* Investments in subsidiaries also includes cost of ESOP contribution for options granted to employees of subsidiaries and its step down subsidiaries as per Company's ESOP plan.

\*\*The Company entered into a Share Purchase Agreement dated April 23, 2020 to acquire controlling stake in Swara Baby Products Private Limited ("the Acquiree Company"), a baby care products company through acquisition of Series A CCPS for consideration amounting to Rs. 8,73.68 millions, paid in three tranches during the period. The company also acquired an additional 614,130 equity shares for total consideration amounting to Rs. 32.50 millions through secondary sale agreement. Consequent to above transactions, Swara Baby Products Private Limited is treated as a subsidiary of the Company in Consolidated Financial Statements.

# The Company entered into a Share Purchase Agreement dated December 30, 2020 to acquire controlling stake in Firmroots Private Limited ("the Acquiree Company"), a baby food products company through acquisition of Series A CCPS for consideration amounting to Rs. 100 millions. The company also entered into several Share Purchase Agreements for acquisition of 8,002 Equity shares and 715 Seed C Shares through secondary sale for the consideration amounting to Rs. 32.69 millions. Consequent to above transactions, Firmroots Private Limited is treated as a subsidiary of the Company in Consolidated Financial Statements.

## The Company entered into a Share Purchase Agreement dated March 15, 2021 to acquire controlling stake in Solis Hygiene Private Limited("the Acquiree Company"), a Personal care and hygiene products company through acquisition of Equity Shares for consideration amounting to Rs. 199.74 millions, Consequent to above transactions, Solis Hygiene Private Limited is treated as a subsidiary of the Company in Consolidated Financial Statements.

### The Company entered into a Share subscription Agreement dated June 03, 2021 to acquire controlling stake in Globalbees Brands Private Limited("the Acquiree Company"), through acquisition of Equity Shares for consideration amounting to Rs. 2,190.01 millions. The Company has subsequently invested Rs. 4,012.20 millions on 30th December 2021.

**7 (a) Loans**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Loan to Subsidiary (Refer note 34)	51.81	-
Loan to employees	36.23	-
<b>Total</b>	<b>88.04</b>	<b>-</b>

**8 (a) Other non-current financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Security deposits	278.36	164.49
Bank deposits (maturity more than 12 months)	0.78	738.96
<b>Total</b>	<b>279.14</b>	<b>903.45</b>



Brainbees Solutions Private Limited  
Notes forming part of these standalone financial statements (continued)  
(All amounts in Rupees millions, unless otherwise stated)

8 (b) Other current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Interest accrued on fixed deposits	169.00	429.79
Custom duty receivable	2.78	-
Other Receivables	23.89	211.05
<b>Total</b>	<b>195.66</b>	<b>640.84</b>

9 Deferred tax assets (Net)

A The break-up of deferred tax liability and deferred tax assets is as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Property, plant and equipment and Intangibles	559.27	694.78
Employees' benefits	36.59	30.47
On Right of Use Assets and Lease Liabilities	69.39	23.79
Carry forward losses	442.95	512.68
<b>Total</b>	<b>1,108.20</b>	<b>1,261.72</b>

10 Income Tax Assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax Assets (net)	102.36	15.76
<b>Total</b>	<b>102.36</b>	<b>15.76</b>

11 (a) Other non current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Capital Advances	31.61	14.29
Balance with Government authorities		
VAT receivable	7.67	13.00
GST receivable	304.91	239.51
Amount paid under protest	2.53	-
<b>Total</b>	<b>346.72</b>	<b>266.80</b>

11 (b) Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advance to employees	7.06	6.49
Prepaid expenses	54.83	54.75
Balance with Government authorities		
GST receivable	422.19	78.75
Advance to suppliers	1,136.77	542.67
Receivables from vendors	311.76	157.65
<b>Total</b>	<b>1,932.61</b>	<b>840.31</b>

12 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Traded goods *	7,696.70	4,319.89
<b>Total</b>	<b>7,696.70</b>	<b>4,319.89</b>

\* The write down of inventories to net realisable value amounted to Rs. 8.10 millions (31 March 2021 : 4.87 millions). Above inventories includes Goods-in-Transit Amounting to Rs. 241.54 millions (March 31, 2021: Rs. 142.34 millions)



Brainbees Solutions Private Limited  
Notes forming part of these standalone financial statements (continued)  
(All amounts in Rupees millions, unless otherwise stated)

13 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Considered good – Secured	-	-
Considered good – Unsecured	1,200.72	1,076.62
Considered good – receivable from related parties (Refer note 34)	245.78	210.15
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables – credit impaired	-	-
<b>Total</b>	<b>1,446.50</b>	<b>1,286.78</b>

Trade receivables ageing schedule as at 31 March 2022

Particulars	Unbilled Revenue	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	135.19	915.20	384.80	3.19	4.31	1.04	2.77	1,446.50
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-

Trade receivables ageing schedule as at 31 March 2021

Particulars	Unbilled Revenue	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	56.14	799.09	422.20	4.37	0.71	1.01	3.24	1,286.78
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-

14(a) Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in hand	0.49	0.77
Cheques on hand	-	-
Balances with banks		
In current accounts	466.64	1,140.41
In deposit accounts having original maturity less than 3 months	1,500.00	1,530.00
<b>Total</b>	<b>1,967.13</b>	<b>2,671.18</b>

14(b) Bank balances other than Cash and Cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with remaining maturity of less than twelve months	10,463.14	18,993.95
<b>Total</b>	<b>10,463.14</b>	<b>18,993.95</b>



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**15(a) Equity share capital**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos	Amount	Nos	Amount
<b>Authorised</b>				
Equity shares of Rs. 5 each	10,77,40,000	538.70	8,47,40,000	423.70
Series A equity shares of Rs. 5 each	42,000	0.21	42,000	0.21
Series E Equity Shares of Rs. 5 each	7,32,00,000	366.00	7,32,00,000	366.00
<b>Issued, subscribed and paid up equity shares</b>				
Equity shares of Rs. 5 each	9,99,71,547	499.86	6,96,88,930	348.44
Series A equity shares of Rs. 5 each	40,232	0.20	40,232	0.20
Series E equity Shares of Rs. 5 each	7,31,66,655	365.83	7,31,66,655	365.83
	<b>17,31,78,434</b>	<b>865.89</b>	<b>14,28,95,817</b>	<b>714.48</b>

**Reconciliation of shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos	Amount	Nos	Amount
<b>A. Equity Shares</b>				
At the commencement of the year	6,96,88,930	348.44	6,96,39,860	348.20
Shares extinguished during the year on account of buyback***	-	-	(13,09,860)	(6.55)
Shares issued during the year**	-	-	13,58,930	6.79
Shares issued during the period on account of Rights Issue	1,47,12,227	73.56	-	-
Shares issued during the period on account of Exercise of Stock Options	6,35,220	3.18	-	-
Increase in Shares on account of Conversion of Option 1 CCPS	45,72,916	22.86	-	-
Shares Issued to Brainbees ESOP Trust	1,03,62,254	51.81	-	-
<b>At the end of the year</b>	<b>9,99,71,547</b>	<b>499.85</b>	<b>6,96,88,930</b>	<b>348.44</b>
<b>B. Series A Equity Shares</b>				
At the commencement of the year	40,232	0.20	40,232	0.20
<b>At the end of the year</b>	<b>40,232</b>	<b>0.20</b>	<b>40,232</b>	<b>0.20</b>
<b>C. Series E Equity Shares*</b>				
At the commencement of the year	7,31,66,655	365.83	7,31,66,655	274.37
Increase in capital amount on account of call money received	-	-	-	91.46
<b>At the end of the year</b>	<b>7,31,66,655</b>	<b>365.83</b>	<b>7,31,66,655</b>	<b>365.83</b>
<b>Total issued, subscribed and paid up share capital**</b>	<b>17,31,78,434</b>	<b>865.88</b>	<b>14,28,95,817</b>	<b>714.48</b>

\* During the year ended 31 March 2019, the Company issued series E equity shares to SVF Frog (Cayman) Limited of face value Rs. 5/- each at Rs. 386/- with security premium of Rs. 381/- being partly paid up as to face value of Rs. 1.88/- each with security premium of Rs. 143.67/- each.

During the year ended March 31, 2020, the Company has received first call amount towards series E equity shares issued to SVF Frog (Cayman) Limited of face value Rs. 5/- each at Rs. 386/- with security premium of Rs. 381/- being partly paid up as to face value of Rs. 1.87/- each with security premium of Rs. 142.40/- each.

During the year ended March 31, 2021, the Company has received second call amount towards series E equity shares issued to SVF Frog (Cayman) Limited of face value Rs. 5/- each at Rs. 386/- with security premium of Rs. 381/- being partly paid up as to face value of Rs. 1.25/- each with security premium of Rs. 94.93/- each.

\*\*During the year ended March 31, 2021, the Company has issued 13,58,930 equity shares to PI Opportunities Fund – 1 of face value Rs. 5/- each fully-paid up at premium of Rs. 697.17/-.

\*\*\*The Board of Directors at its meeting held on September 22, 2020, approved a proposal to buy-back upto 13,09,860 equity shares of the Company for an aggregate amount not exceeding Rs. 307.57 millions, at price of Rs. 234.81 per equity share. The shareholders approved the same on September 30, 2020, by way of a special resolution. A Letter of Offer was made to all eligible shareholders. The Company bought back 13,09,860 equity shares for an aggregate amount of Rs. 307.57 millions at Rs. 234.81/- per equity share. The equity shares bought back were extinguished on October 15, 2020. Capital redemption reserve was created to the extent of share capital extinguished (Rs. 6.55 millions). The excess cost of buy-back of Rs. 307.57 millions over par value of shares were offset from securities premium and corresponding tax on buy-back of Rs. 68.85 millions were offset from retained earnings.

The Company had, issued 42,26,26,894 equity shares of face value of Rs. 5/- each on right basis ('Rights Equity Shares') to the Eligible Equity Shareholders at an issue price of Rs. 5 per Rights Equity Share.

Investor shares shall include the following:

- 1 Series A Equity shares
- 2 Equity shares issued under the Business Transfer Agreement
- 3 Equity shares held by investors
- 4 Series E Equity Shares



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
(All amounts in Rupees millions, unless otherwise stated)

**15(a) Equity share capital (Continued)**

**Rights, preferences and restrictions attached to**

**Equity Shares and Series A Equity Shares**

The Company has equity shares having a face value of Rs. 5 per share. Each holder of equity share is entitled to one vote per share. The Company shall not declare dividend in respect of the Equity Shares or any other class of shares in excess of the dividend permissible to be paid to the non-resident holders of the Investor Shares.

**Series E Equity Shares**

The Company has issued Series E equity shares during the year ended March 31, 2019, having a face value of Rs. 5 per share. Each Series E Equity Share shall have one vote and carry voting rights on the basis of, and to the extent of, the amounts paid-up on each Series E Equity Share. The holders of the Series E Equity Shares shall be entitled to participate in the distribution of the profits of the Company prior to the other Security Holders but simultaneously with the holders of Series A CCPS, Series B CCPS, Series C CCPS, Series C1 CCPS, Series C2 CCPS, Series D1 CCPS, Series D2 CCPS, in proportion to their holding of Series E Equity Shares. The holders of the Series E Equity Shares shall be entitled to receive any non-cash dividend by way of deemed bonus declared by the Board.

**Employee stock options/ share purchase plan**

Terms attached to stock options granted/ share purchase plan to employees are described in Note 37 regarding share based payments. For details of shares reserved for issue on conversion of Compulsorily Convertible Preference Shares, please refer note 15(b) related to terms of conversion of Compulsorily Convertible preference shares.

**Particulars of shareholders holding more than 5% shares of a class of shares**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos	% of total shares in class	Nos	% of total shares in class
<b>Equity shares</b>				
Mahindra Retail Limited*	1,64,46,754	18%	1,64,46,754	24%
Mr. Supam Maheshwari	1,52,94,639	17%	37,37,300	5%
PI Opportunities Fund – 1	84,99,474	9%	81,63,358	12%
TPG Growth V SF Markets Pte Ltd.	79,01,087	9%	79,01,087	11%
NewQuest Asia Investments III Limited	74,30,648	8%	93,28,954	13%
Apricot Investments Limited	67,28,747	8%	67,28,747	10%
Brainbees Employees Welfare Trust	52,54,636	6%	6,81,720	1%
Mr. Amitava Saha	38,62,320	4%	38,62,320	6%
<b>Series A equity shares</b>				
PI Opportunities Fund – 1	40,232	100%	40,232	100%
<b>Series E Equity Shares</b>				
SVF Frog (Cayman) Limited	6,59,06,432	90%	7,31,66,655	100%
NextGen Management Services	72,60,223	10%	-	-

\*Mahindra Retail Limited (formerly Mahindra Retail Private Limited) has amalgamated with Mahindra & Mahindra Limited pursuant to an order dated April 29, 2022 passed by National Company Law Tribunal ('NCLT')

**Aggregate number of shares issued for a consideration other than cash during the period of five years immediately preceding the reporting date**

- During the year ended 31 March 2017, 47,971 equity shares of Rs. 10 each, fully paid up were issued to Mahindra Retail Private Limited and allotted at Rs. 73,919 per share in accordance with the Business Transfer Agreement dated October 15, 2016.
- During the year ended 31 March 2017, 63,991,530 equity shares of Rs. 5 each fully paid up were allotted as bonus shares.

**Particulars of Shareholding of promoters**

As of March 31, 2022, the Holding Company does not have an identifiable promoter in terms of the Companies Act, 2013 and accordingly disclosures related to promoter shareholding is not given for this period. The Holding Company is a professionally managed Company. For disclosure related to previous years, refer below table

Particulars	As at March 31, 2022		As at March 31, 2021		% change during the period*
	Nos	% of total shares in class	Nos	% of total shares in class	
Supam Maheshwari	-	-	37,37,300	5.36%	-100%
Sampada Maheshwari	-	-	4,03,180	0.58%	-100%
Amitava Saha	-	-	38,62,320	5.54%	-100%
Sanket Hattimattur	-	-	4,49,160	0.64%	-100%
Prashant Jadhav	-	-	21,17,360	3.04%	-100%

\* Change during the year is on account of declassification of promoters.

Note: The Promoters of the Holding Company has holding in only one class of shares i.e. equity shares.





**Brainbees Solutions Private Limited**
**Notes forming part of these standalone financial statements (continued)**

(All amounts in Rupees millions, unless otherwise stated)

**15(b) Instruments entirely equity in nature**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos	Amount	Nos	Amount
<b>Authorised</b>				
Series A CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	62,000	0.31	62,000	0.31
Series B CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	3,46,466	1.73	3,46,466	1.73
Series C CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	87,42,660	43.71	87,42,660	43.71
Series C1 CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	1,75,240	0.88	1,75,240	0.88
Series C2 CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	31,160	0.16	31,160	0.16
Series D1 CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	48,87,180	24.44	48,87,180	24.44
Series D2 CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	56,79,100	28.40	56,79,100	28.40
Option 1 CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	12,200	0.06	12,200	0.06
Option 2 CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	28,000	0.14	28,000	0.14
<b>Instruments entirely equity in nature</b>				
Series A CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	28,926	0.14	28,926	0.14
Series B CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	14,702	0.07	14,702	0.07
Series C CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	70,00,360	35.00	70,00,360	35.00
Series C1 CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	1,75,240	0.88	1,75,240	0.88
Series C2 CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	31,160	0.16	31,160	0.16
Series D1 CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	48,87,180	24.44	48,87,180	24.44
Series D2 CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	19,35,860	9.68	19,35,860	9.68
Option 1 CCPS (Compulsorily Convertible Preference Shares) of Rs. 5 each	-	-	12,034	0.06
	<b>1,40,73,428</b>	<b>70.37</b>	<b>1,40,85,462</b>	<b>70.43</b>

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos	Amount	Nos	Amount
<b>Instruments entirely equity in nature</b>				
<b>Series A CCPS (Compulsorily Convertible Preference Shares)</b>				
At the commencement of the year	28,926	0.14	28,926	0.14
At the end of the year	<b>28,926</b>	<b>0.14</b>	<b>28,926</b>	<b>0.14</b>
<b>Series B CCPS (Compulsorily Convertible Preference Shares)</b>				
At the commencement of the year	14,702	0.07	14,702	0.07
At the end of the year	<b>14,702</b>	<b>0.07</b>	<b>14,702</b>	<b>0.07</b>
<b>Series C CCPS (Compulsorily Convertible Preference Shares)</b>				
At the commencement of the year	70,00,360	35.00	70,00,360	35.00
At the end of the year	<b>70,00,360</b>	<b>35.00</b>	<b>70,00,360</b>	<b>35.00</b>
<b>Series C1 CCPS (Compulsorily Convertible Preference Shares)</b>				
At the commencement of the year	1,75,240	0.88	1,75,240	0.88
At the end of the year	<b>1,75,240</b>	<b>0.88</b>	<b>1,75,240</b>	<b>0.88</b>
<b>Series C2 CCPS (Compulsorily Convertible Preference Shares)</b>				
At the commencement of the year	31,160	0.16	31,160	0.16
At the end of the year	<b>31,160</b>	<b>0.16</b>	<b>31,160</b>	<b>0.16</b>
<b>Series D1 CCPS (Compulsorily Convertible Preference Shares)</b>				
At the commencement of the year	48,87,180	24.44	48,87,180	24.44
At the end of the year	<b>48,87,180</b>	<b>24.44</b>	<b>48,87,180</b>	<b>24.44</b>
<b>Series D2 CCPS (Compulsorily Convertible Preference Shares)</b>				
At the commencement of the year	19,35,860	9.68	19,35,860	9.68
At the end of the year	<b>19,35,860</b>	<b>9.68</b>	<b>19,35,860</b>	<b>9.68</b>
<b>Option 1 CCPS (Compulsorily Convertible Preference Shares)</b>				
At the commencement of the year	12,034	0.06	12,034	0.06
Decrease on account of conversion of Option 1 CCPS into Equity Shares	(12,034)	(0.06)		
At the end of the year	-	-	12,034	0.06
<b>Total</b>	<b>1,40,73,428</b>	<b>70.37</b>	<b>1,40,85,462</b>	<b>70.43</b>



**Brainbees Solutions Private Limited**

**Notes forming part of these standalone financial statements (continued)**

(All amounts in Rupees millions, unless otherwise stated)

**15(b) Instruments entirely equity in nature (continued)**

Investor shares shall include the following:

- 1 Series A CCPS
- 2 Series B CCPS
- 3 Series C CCPS
- 4 Series C1 CCPS
- 5 Series C2 CCPS
- 6 Series D1 CCPS
- 7 Series D2 CCPS
- 8 Option 1 CCPS

**Rights, preferences and restrictions attached to Series A, Series B, Series C, Series C1, Series C2, Series D1 & D2 Compulsorily Convertible Preference Shares and Option 1 Compulsorily Convertible Preference Shares**

**Series A and Series B CCPS**

The Company has issued Series A and Series B CCPS (Compulsorily Convertible Preference Shares) having a face value of Rs. 5 per share. Each shareholder of Series A CCPS and Series B CCPS shall be entitled to vote on Series A CCPS and Series B CCPS respectively held by them (as a single class and on a converted basis and not as a separate class) except as specifically provided. The holders of Series A CCPS shall be entitled to payment of 0.001% cumulative coupon per annum on each Series A CCPS by way of dividends from the Company in accordance with applicable Laws and when the Board declares any dividend. The dividend would be cumulative and would be paid prior to payment of any dividend with respect to Equity Shares and Series A Equity Shares. The holders of the Series A CCPS and Series B CCPS shall have the right to convert all or any portion of the Series A CCPS and Series B CCPS held by them at any time at the then applicable Series A CCPS and Series B CCPS conversion ratio ranging of 1:1 into Equity Shares of the Company, prior to expiry of 19 years from the allotment of shares.

On March 23, 2017, the Company has split the face value of Series A and Series B CCPS from Rs. 10 per share to Rs. 5 per share. The Company has also issued 189 bonus shares for each share held post share split. During the Previous Financial year ended (FY 2016-17), the shareholders have exercised their right and converted a part of their holdings into Equity shares in accordance with the Shareholder's agreement.

**Series C, Series C1 and Series C2 CCPS**

The Company has issued Series C, Series C1 and Series C2 CCPS (Compulsorily Convertible Preference Shares) having a face value of Rs. 5 per share. Each shareholder of Series C, Series C1 and Series C2 CCPS shall be entitled to vote on Series C, Series C1 and series C2 CCPS respectively held by them (as a single class and on a converted basis and not as a separate class) except as specifically provided. The holders of Series C, Series C1 and Series C2 CCPS shall be entitled to payment of higher of 0.001% cumulative coupon per annum on the Face value of each of Series C, Series C1 and Series C2 CCPS or the amount receivable by them in the dividend declared based on their shareholding in the Company on an as is converted basis, as and when the Board declares any dividend. The dividends would be cumulative and would be paid prior to payment of any dividend with respect to Equity Shares (save the Series A Equity Shares as set out herein). The holders of the Series C, Series C1 and Series C2 CCPS shall have the right to convert all or any portion of the Series C, Series C1 and Series C2 CCPS held by them at any time at the then applicable Series C, Series C1 and Series C2 CCPS conversion ratio of 1:1 into Equity Shares, prior to expiry of 19 years from the allotment of shares.

On March 23, 2017, the Company has split the face value of Series C, Series C1 from Rs. 100 per share to Rs. 5 per share and Series C2 CCPS from Rs. 10 per share to Rs. 5 per share. The Company has also issued 18 bonus shares for Series C, Series C1 and 189 bonus shares for Series C2 CCPS. During the Previous Financial year ended (FY 2016-17), Series C shareholders have exercised their right and converted a part of their holdings into Equity shares in accordance with the Shareholder's agreement.

**Series D1 and Series D2 CCPS**

The Company has Series D1 and Series D2 CCPS (Compulsorily Convertible Preference Shares) having a face value of Rs. 5 per share. Each shareholder of Series D1 and Series D2 CCPS shall be entitled to vote on Series D1 and Series D2 CCPS respectively held by them (as a single class and on a converted basis and not as a separate class) except as specifically provided. The holders of Series D1 and Series D2 CCPS shall be entitled to payment of higher of 0.001% cumulative coupon per annum on the Face value of each of Series D1 and Series D2 CCPS or the amount receivable by them in the dividend declared based on their shareholding in the Company on an as is converted basis, as and when the Board declares any dividend. The dividends would be cumulative and would be paid prior to payment of any dividend with respect to Equity Shares (save the Series A Equity Shares as set out herein). The holders of Series D1 and Series D2 CCPS shall have the right to convert all or any portion of the Series D1 and Series D2 CCPS held by them at any time at the then applicable Series D1 and Series D2 CCPS conversion ratio of 1:1 into Equity Shares, prior to expiry of 19 years from the allotment of shares.

On March 23, 2017, the Company has split the face value of Series D1 and Series D2 CCPS from Rs. 100 per share to Rs. 5 per share. The Company has also issued 18 bonus shares for each share held post share split. Further, some of the Series D2 shareholders have exercised their right and converted their holdings into Equity shares in accordance with the Shareholder's agreement.

**Option 1 CCPS**

The Company has issued Option 1 CCPS (Compulsorily Convertible Preference Shares) during the year, having a face value of Rs. 5 per share. Each shareholder of Option 1 CCPS shall be entitled to vote on Option 1 CCPS held by them (as a single class and on a converted basis and not as a separate class) except as specifically provided. The holders of Option 1 CCPS shall have no priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares and the same shall be paid/repaid as per Companies Act, 2013. The holders of Option 1 CCPS shall receive dividend on non-cumulative basis. The holders of Option 1 CCPS shall have the right to convert all or any portion of the Option 1 CCPS held by them at any time in ratio of 1:380 into Equity Shares, prior to expiry of 19 years from the allotment of shares.

On January 12, 2022 the Company converted 12,034 Option 1 CCPS into 45,72,916 Equity shares of the company having face value of Rs. 5 each.



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**15(b) Instruments entirely equity in nature (continued)**

**Particulars of shareholders holding more than 5% shares of a class of shares**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos	% of total shares in class	Nos	% of total shares in class
<b>Series A CCPS (Compulsorily Convertible Preference Shares)</b> PI Opportunities Fund – 1	28,926	100%	28,926	100%
<b>Series B CCPS (Compulsorily Convertible Preference Shares)</b> PI Opportunities Fund – 1	14,702	100%	14,702	100%
<b>Series C CCPS (Compulsorily Convertible Preference Shares)</b> Valiant Mauritius Partners FDI Limited	42,95,595	61%	45,61,837	65%
TPG Growth V SF Markets Pte Ltd.	17,11,970	24%	17,11,970	24%
PI Opportunities Fund – 1	7,26,553	10%	7,26,553	10%
<b>Series C1 CCPS (Compulsorily Convertible Preference Shares)</b> PI Opportunities Fund – 1	1,75,240	100%	1,75,240	100%
<b>Series C2 CCPS (Compulsorily Convertible Preference Shares)</b> Ratan N Tata	31,160	100%	31,160	100%
<b>Series D1 CCPS (Compulsorily Convertible Preference Shares)</b> Mahindra Engineering and Chemical Products Limited*	48,87,180	100%	48,87,180	100%
<b>Series D2 CCPS (Compulsorily Convertible Preference Shares)</b> Valiant Mauritius Partners FDI Limited	15,38,842	79%	16,22,600	84%
Pratithi Investment Trust	1,35,280	7%	1,35,280	7%

\*Mahindra Engineering and Chemical Products Limited has amalgamated with Mahindra & Mahindra Limited pursuant to an order dated April 29, 2022 passed by National Company Law Tribunal ('NCLT')

**Aggregate number of shares issued for a consideration other than cash during the period of five years immediately preceding the reporting date**

- During the year ended 31 March 2017, 18,252,396 CCPS of Rs.5 each fully paid up were allotted as bonus shares.



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**16 Reserves and surplus**

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium	28,826.95	28,516.33
Capital redemption reserve	6.59	6.59
Shares options outstanding account	958.45	956.59
Retained earnings	4,846.17	5,088.22
<b>Total</b>	<b>34,638.15</b>	<b>34,567.73</b>

**(i) Securities premium**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	28,516.33	20,930.78
Premium on issue of Series E Equity Shares	-	6,945.71
Premium on issue of Equity Shares	-	947.41
Premium on exercise of Stock options	12.25	-
Decrease due to buyback of shares	-	(307.57)
Transfer from shares option outstanding account on account of exercise of Stock Options	298.37	-
<b>Closing balance</b>	<b>28,826.95</b>	<b>28,516.33</b>

**(ii) Capital redemption reserve**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	6.59	0.04
Transferred from Securities Premium	-	6.55
<b>Closing balance</b>	<b>6.59</b>	<b>6.59</b>

**(iii) Shares options outstanding account**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	956.59	498.41
Share based payment expense*	841.17	458.18
Repurchase of Equity Interest (Refer Note 37)	(231.50)	-
Transfer to Securities Premium on account of exercise of Stock Options	(298.37)	-
Transferred to retained earnings	(309.44)	-
<b>Closing balance</b>	<b>958.45</b>	<b>956.59</b>

\* Includes cost of options granted to employees of wholly owned subsidiaries, which is included in the investments in Note 7, amounting to Rs. 13.86 millions (31 March 2021: 14.32 millions)

**(iv) Retained earnings**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	5,088.22	2,318.80
Net profit for the year	187.76	2,838.68
Tax on buy back of shares	-	(68.85)
Transferred from share option outstanding account	309.44	-
Repurchase of Equity Interest (Refer Note 37)	(726.97)	-
On account of Conversion of Option 1 CCPS into Equity Shares	(22.80)	-
Remeasurement of post employment benefit obligations	10.52	(0.41)
<b>Closing balance</b>	<b>4,846.17</b>	<b>5,088.22</b>

**Securities premium**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

**Capital redemption reserve**

The Indian Companies Act, 2013 (the "Companies Act") requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares.

**Shares options outstanding account**

The Share Options Outstanding account is used to recognise the grant date fair value of options issued to employees under the Brainbees Employee Stock Option Plan 2011 and 2019 Plan.

**Retained earnings**

Retained earnings are the profits that the Company has earned till date.



Brainbees Solutions Private Limited  
Notes forming part of these standalone financial statements (continued)  
(All amounts in Rupees millions, unless otherwise stated)

18 (a) Other Non-current Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	4.40	4.38
<b>Total</b>	<b>4.40</b>	<b>4.38</b>

18 (b) Other Current Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Accrued employee liabilities	49.33	43.23
Payables for property, plant and equipment	219.77	40.18
Other Payable	1.25	0.06
<b>Total</b>	<b>270.35</b>	<b>83.47</b>

19 (a) Non-current provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for compensated absences	37.08	31.96
Provision for gratuity (Refer note 33)	78.30	65.84
<b>Total</b>	<b>115.38</b>	<b>97.80</b>

19 (b) Current provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for compensated absences	13.63	10.91
Provision for gratuity (Refer note 33)	16.37	12.36
<b>Total</b>	<b>30.00</b>	<b>23.26</b>

20 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises (Refer Note 32)	23.65	33.17
Total outstanding dues of creditors other than micro and small enterprises	3,830.77	2,408.50
<b>Total</b>	<b>3,854.43</b>	<b>2,441.67</b>

Trade payable ageing schedule as at 31 March 2022

Particulars	Unbilled Dues	Not Due	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years	Total
MSME	-	14.08	9.10	0.37	0.06	0.04	23.65
Others	1,532.46	1,468.56	781.82	32.96	4.58	10.40	3,830.77
Disputed dues- MSME	-	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-	-

Trade payable ageing schedule as at 31 March 2021

Particulars	Unbilled Dues	Not Due	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years	Total
MSME	-	23.60	9.10	0.37	0.06	0.04	33.17
Others	1,168.06	914.12	304.34	10.35	5.28	6.34	2,408.50
Disputed dues- MSME	-	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-	-

21 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Dues		
GST / Sales tax Payable	30.70	1.19
TDS payable	47.96	115.48
PF, PT Payable	10.75	7.45
Advance from customers	463.06	213.35
<b>Total</b>	<b>552.47</b>	<b>337.48</b>





**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**22 Revenue from operations**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Sale of products</b>		
Sale of baby and Kids Products	16,814.73	12,613.97
<b>Total (A)</b>	<b>16,814.73</b>	<b>12,613.97</b>
<b>Other operating revenue</b>		
Internet display charges	545.78	370.42
Other Operating Revenue	163.35	108.46
<b>Total (B)</b>	<b>709.13</b>	<b>478.88</b>
<b>Revenue from operations (A+B)</b>	<b>17,523.86</b>	<b>13,092.85</b>

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract Price	19,093.14	14,293.89
Loyalty Points	0.53	3.29
Discounts, Rebates, etc.	(1,569.81)	(1,204.34)
<b>Revenue from operations for the period ended</b>	<b>17,523.86</b>	<b>13,092.85</b>

Refer accounting policy 3(h) for satisfaction of performance obligation and when the revenue is recognised.

**Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from customers

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Contract assets</b>		
Trade Receivables	1,446.50	1,286.78
<b>Contract liabilities</b>		
Advance from customers	463.06	213.35

Movement in contract liabilities during the year:

**23 Other Income**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Interest Income :</b>		
On fixed deposits with banks	789.27	1,011.84
On others	16.20	10.27
Service Income	-	213.07
Lease rentals	24.85	22.77
Miscellaneous income	68.60	87.56
<b>Total</b>	<b>898.92</b>	<b>1,345.51</b>

**24 Changes in Inventories of Stock-in-Trade**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock of Stock-in-trade	4,319.89	2,845.42
Closing stock of Stock-in-trade	7,696.70	4,319.89
<b>Total</b>	<b>(3,376.81)</b>	<b>(1,474.47)</b>



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**25(a) Employee benefits expense**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages, bonus and other allowances	1,602.91	1,343.56
Contributions to provident and other funds	55.14	37.64
Staff welfare expenses	48.40	33.11
<b>Total</b>	<b>1,706.45</b>	<b>1,414.31</b>

**25(b) Employee share based payment expense**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employee share based payment expense (Refer Note 37)	827.30	443.86
<b>Total</b>	<b>827.30</b>	<b>443.86</b>

**26 Finance costs**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on lease liabilities (refer note 5)	231.18	123.14
Other borrowing costs	-	0.59
<b>Total</b>	<b>231.18</b>	<b>123.73</b>

**27 Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment	327.10	210.03
Amortisation of right of use assets	503.02	348.93
Amortisation of intangible assets	38.08	39.94
<b>Total</b>	<b>868.20</b>	<b>598.90</b>

**28 Other expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Subcontractor expenses	383.13	296.57
Packing expenses	80.41	42.11
Courier expenses	314.07	212.60
Power and fuel	65.33	44.10
Rent	28.58	12.03
Repairs and maintenance - others	27.13	19.99
Insurance	15.04	8.10
Rates and taxes	8.29	5.08
Travelling and conveyance	84.39	54.01
Legal and professional expenses	120.81	104.94
Advertising and sales promotion expenses	1,867.89	1,023.83
Telephone and internet charges	199.76	122.22
Printing and stationery	3.70	1.90
Payments to auditor*	1.90	1.80
Miscellaneous expenses	37.42	19.59
<b>Total</b>	<b>3,237.84</b>	<b>1,968.87</b>

**\* Payments to auditors**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditor		
Statutory audit	1.80	1.70
Tax audit	0.10	0.10
Other Audit Services	-	-
<b>Total</b>	<b>1.90</b>	<b>1.80</b>



**Brainbees Solutions Private Limited**
**Notes forming part of these standalone financial statements (continued)**

(All amounts in Rupees millions, unless otherwise stated)

**29 Income tax**
**A Amounts recognised in profit or loss**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount recognised during the period		
Deferred tax income/ (expense) recognised in profit and loss	(149.98)	1,261.58
Deferred Tax income/ (expense) recognised in OCI	(3.54)	0.14
<b>Total</b>	<b>(153.52)</b>	<b>1,261.72</b>

**B Reconciliation of effective tax rate**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	337.74	1,577.09
Tax using the Company's domestic tax rate @25.17%	85.00	396.95
Prior year adjustment	58.26	-
Disallowance under section 37 of the Income Tax Act, 1961	9.79	256.87
Deferred Tax Asset recognised on previous losses and unabsorbed amortisation	-	(1,891.99)
Others	0.46	(23.55)
<b>Total</b>	<b>153.52</b>	<b>(1,261.72)</b>

**30 Earnings per share**
**Basic earnings per share**

Basic EPS amounts are calculated by dividing the profit/(loss) for the period attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit/(loss) and equity share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(Loss) attributable to equity shareholders (A)	187.76	2,838.67
Weighted average number of equity shares for calculation of Basic EPS (B)	16,57,80,495	14,63,75,575
<b>Basic EPS (A/B)</b>	<b>1.13</b>	<b>19.39</b>
Weighted average number of equity shares outstanding	16,57,80,495	14,63,75,575
Weighted average number of potential equity shares*	34,58,558	37,21,340
Weighted average number of equity shares for calculation of Diluted EPS (C)	16,92,39,053	15,00,96,915
<b>Diluted EPS (A/C)</b>	<b>1.11</b>	<b>18.91</b>



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**31 Contingent liabilities and commitments**

**A Contingent liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Bank Guarantees	-	-
Income tax matters (see note (i) below)	-	-
Central sales tax and VAT matters (See Note (ii) below)	-	-
Central sales tax liability pending collection of 'C Forms' from registered dealers	0.29	3.36
<b>Total</b>	<b>0.29</b>	<b>3.36</b>

**Notes**

- i. a) For the assessment year 2015-16, the Company has received tax demand against penalty notice under section 271(1)(c) of the Income Tax Act, 1961 of Rs. 40.92 millions. The Company is in process of filing an appeal before Commissioner of Income Tax within the stipulated timelines mentioned under Income Tax Act against the order passed by Assessing Officer.
- b) For the assessment year 2016-17, the Assessing Officer has made the addition of Rs. 42.71 millions and had reduced the brought forward losses, however, even after such addition there is no tax liability. The Company has filed appeals against such additions made to Commissioner of Income Tax (Appeals)
- c) For the assessment year 2016-17, proceeding under section 201 were initiated on the Company and the assessing officer has issued a tax demand of Rs. 16.35 millions (including interest). The Company has filed appeals against such tax demand to Commissioner of Income Tax (Appeals) by paying an amount of Rs. 2.53 millions as protest money. The Company does not anticipate any financial liability as the similar additions made were in favour of assesses/companies in other jurisdiction.  
 With reference to the above case (for the assessment year 2016-17), the Company has received a penalty notice under Section 274 w.r.s 271C. The Company has submitted to the Department that since the above case is filed with CIT (A) and is still ongoing, the proceedings for penalty shall be kept on abeyance until conclusion of the said case.
- d) For the assessment year 2016-17, re-assessment proceedings in relation to above same transaction (i.e. point (c) above) has been initiated by the Income Tax department under section 148. The Company has submitted the responses against the same and the proceedings are ongoing as on date. The Company does not anticipate any financial liability as the similar additions made were in favour of assesses/companies in other jurisdiction.
- e) For the assessment year 2016-17, re-assessment proceedings in relation to above same transaction (i.e. point (d) above) was initiated by the Income Tax department under section 148. The Faceless Assessing Officer has passed the order under section 147 read with section 144B of the Income-tax Act, 1961 ('the Act') for AY 2016-17 by disallowing Rs. 96.98 millions i.e. the payment made to Facebook Ireland under section 40(a)(i) of the Act. The Company is in process of filing an appeal before Commissioner of Income Tax within the stipulated timelines mentioned under Income Tax Act against the order passed by Assessing Officer.
- f) For the assessment year 2017-18, the Assessing Officer has made the addition of Rs. 82.01 millions and had reduced the brought forward losses, however, even after such addition there is no tax liability. The Company has filed appeals against such additions made to Commissioner of Income Tax (Appeals).
- g) For the assessment year 2017-18, the Company has received a penalty notice under Section 274 w.r.s 271C. The Company has submitted to the Department that since the above case is filed with CIT (A) and is still ongoing, the proceedings for penalty shall be kept on abeyance until conclusion of the said case.
- ii a) For FY 2015-16, the Company has received tax demand of Rs. 22.05 millions from Maharashtra VAT authorities and Central Sales tax authorities. The said demand is inclusive of interest of Rs. 11.67 millions. Against this tax demand, the Company has paid amount of Rs. 1.08 millions as protest money and has filed an appeal to Joint Commissioner of Sales Tax.
- b) For FY 2017-18(Q1), demand from Maharashtra VAT authorities for payment of tax of Rs. 3.23 millions was raised upon completion of their assessment. The Company has filed rectification to the Department against the tax demand order.



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**31 Contingent liabilities and commitments (continued)**

**Notes (continued)**

c) For FY 2014-15, the Company has received tax demand of Rs. 0.57 millions from Delhi VAT authorities. The said demand is inclusive of interest and penalty of Rs. 0.34 millions. The Company is in process of evaluating whether to file an appeal or a rectification to the Department against the tax demand order.

d) For FY 2015-16, the Company has received tax demand of Rs. 0.41 millions from Delhi VAT authorities. The said demand is inclusive of interest and penalty of Rs. 0.2 millions. Out of this tax demand of Rs. 0.41 millions, Rs. 0.26 millions is towards payment of C forms liabilities which the Company will pay in due course of time. For the remaining amount of Rs. 0.15 millions, the Company is in process of evaluating whether to file an appeal or a rectification to the Department.

e) For FY 2016-17, the Company has received tax demand of Rs. 2.83 millions from Delhi VAT authorities. The said demand is inclusive of interest and penalty of Rs. 1.25 millions. Out of this tax demand of Rs. 2.83 millions, Rs. 1.87 millions is towards payment of C forms liabilities which the Company will pay in due course of time. For the remaining amount of Rs. 0.96 millions, the Company is in process of evaluating whether to file an appeal or a rectification to the Department.

f) For FY 2016-17, the Company has received tax demand of Rs. 0.02 millions from Maharashtra VAT authorities. The Company has filed rectification to the Department against the tax demand order.

The Company has received a demand notice from Custom Commissionerate, Chennai on 7th April 2021 for an amount of Rs. 0.53 millions towards duty for re-classification of Breast Pump under a different HSN code. The Company has responded to the demand notice on 11th May 2021 taking a position of no further tax payable by the Company

**B Commitments**

The estimated amount of contracts remaining to be executed on capital account and not provided for:

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Commitments	105.44	75.67
<b>Total</b>	<b>105.44</b>	<b>75.67</b>

**32 Dues to micro and small enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
a) Principal amount payable to suppliers as at period end	23.65	33.17
b) Interest due thereon as at period end *	-	-
c) Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the period, irrespective of the period to which interest relates	-	-
d) Amount of delayed payments actually made to suppliers during the period	151.43	226.84
e) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act *	1.39	1.62
f) Interest accrued and remaining unpaid at the end of the period*	1.39	1.62
g) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006 *	4.07	2.68

\* Above interest amounts have not been provided in the books

The Company has compiled this information based on intimations received from the suppliers of their status as Micro or Small Enterprises and/or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006





**Brainbees Solutions Private Limited**

**Notes forming part of these standalone financial statements (continued)**

(All amounts in Rupees millions, unless otherwise stated)

**34 Related party transactions**

**A) Name of the related parties and nature of relationship**

(i) where control exists :

**Wholly owned subsidiaries**

- 1 Intellibeas Solutions Private Limited
- 2 Firstcry Management DWC - LLC
- 3 Shenzhen Starbees Services Ltd
- 4 Joybees Private Limited

**Other Direct subsidiaries**

- 1 Swara Baby Products Private Limited
- 2 Firmroots Private Limited
- 3 Solis Hygiene Private Limited
- 4 Globalbees Brands Private Limited

**Step down subsidiaries**

- 1 Firstcry Retail DWC - LLC
- 2 Firstcry Trading Company
- 3 Firstcry General Trading LLC
- 4 Merhaki Foods and Nutrition Private Limited
- 5 Maxinique Solutions Private Limited
- 6 Better and Brighter Homecare Private Limited
- 7 Eyezen Technologies Private Limited
- 8 Cloud Lifestyle Private Limited
- 9 HealthyHey Foods LLP
- 10 Butternut Ventures Private Limited
- 11 Dynamic IT Solution Private Limited
- 12 Kubermart Private Limited
- 13 Mush Textiles Private Limited
- 14 Globalbees Brands DWC LLC
- 15 HS Fitness Private Limited
- 16 DF Pharmacy Limited
- 17 Candes Technology Private Limited

**Other Entities where control exists**

- 1 Edubees Educational Trust
- 2 Brainbees ESOP Trust

**B) Other Related Parties**

**i. Entities having significant influence**

- 1 SVF Frog (Cayman) Limited (Refer note 15(a))  
Mahindra Retail Limited (formerly Mahindra Retail Private Limited) which has amalgamated with
- 2 Mahindra & Mahindra Limited pursuant to an order dated April 29, 2022 passed by National Company Law Tribunal ('NCLT')

**ii. Key management personnel**

- 1 Mr. Supam Maheshwari - Managing Director
- 2 Mr. Amitava Saha-Director
- 3 Mr. Ravi Chandra Adusumalli-Director (w.e.f January 21, 2019 till July 28, 2020)
- 5 Mr. Benedict Jerome Mathias-Director (till March 25, 2021)
- 6 Mr. Zhooben Dossabhoy Bhiwandiwalla -Director
- 7 Mr. Munish Ravinder Varma -Director (w.e.f January 21, 2019 till January 12, 2022)
- 8 Mr. Vivek Mathur-Director (till January 18, 2019)
- 9 Mr. Mukul Arora-Director (till January 18, 2019)
- 10 Mr. Paul Alexander Davison-Director (w.e.f July 15, 2019)(re-appointed as Additional Director w.e.f July 29, 2020, re-designated as Director w.e.f October 29, 2020 till March 25, 2021)
- 11 Mr. Amit Gupta-Director (w.e.f December 24, 2019)
- 12 Mr. Mukul Arora-Additional Director
- 13 Mr. Akshay Tanna-Additional Director (w.e.f March 17, 2021, re-designated as Director w.e.f September 29, 2020)
- 14 Mr. Atul Gupta-Additional Director (w.e.f June 03, 2021, re-designated as Director w.e.f September 29, 2020)
- 15 Mr. Vikas Agnihotri-Alternate Director to Munish Ravindar Varma (w.e.f December 10, 2021, re-designated as Additional Director w.e.f January 12, 2022)
- 16 Mr. Gautam Sharma - Chief Financial Officer
- 17 Ms. Samantha Rego - Company Secretary (w.e.f August 28, 2019)



34 Related party transactions (continued)

1 Transactions with related parties

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Wholly owned subsidiaries</b>		
<b>Firstcry Management DWC LLC</b>		
A) Service charge income	569.13	1,391.70
B) Investment made	11.68	8.59
C) Share based payments (included in Investments as per Note:7)		
<b>Shenzhen Starbees Services Ltd</b>		
A) Professional fees paid	41.91	39.52
B) Investment made	-	-
C) Share based payments (included in Investments as per Note:7)	(4.49)	3.50
<b>Step down subsidiaries and other entities</b>		
<b>Firstcry Retail DWC - LLC</b>		
A) Sale of trading goods	188.22	160.78
B) Service Income	69.96	64.76
C) Cost charge back	2.32	-
D) Share based payments (included in Investments as per Note:7)	6.67	2.23
E) Royalty Income	93.06	65.33
<b>Edubees Educational Trust</b>		
A) Security Deposit Paid	12.50	-
B) Royalty income	5.99	2.80
C) Sale of student kits	4.06	1.82
<b>Brainbees ESOP Trust</b>		
A) Loans Given	51.81	-
B) Shares Issued	51.81	-
<b>Firmroots Private Limited</b>		
A) Purchase of Traded Goods	0.52	0.01
B) Investment Made	-	100.00
C) Rent Paid	0.03	-
<b>Swara Baby Products Private Limited</b>		
A) Purchase of Traded Goods	1,039.99	305.48
B) Investment Made	-	873.68
C) Interest Income	2.09	-
<b>Solis Hygiene Private Limited</b>		
A) Investment Made	173.61	199.74
<b>Globalbees Brands Private Limited</b>		
A) Investment Made	6,202.22	-
B) Sublease Rent Income	0.07	-
C) Internet Display Charges	0.11	-
<b>MaxInlque Solutions Private Limited</b>		
A) Internet Display Charges	0.05	-
<b>Joybees Private Limited</b>		
A) Investment Made	0.10	-
<b>Key Managerial Personnel*</b>		
Mr. Supam Maheshwari**	291.99	144.94
Mr. Gautam Sharma**	107.03	63.54
Ms. Samantha Rego **	3.17	2.94
<b>Entities having significant Influence</b>		
<b>Mahindra Retail Limited (formerly Mahindra Retail Private Limited) which has amalgamated with Mahindra &amp; Mahindra Limited pursuant to an order dated April 29, 2022 passed by National Company Law Tribunal ('NCLT')</b>		
A) Sale of trading goods	-	20.94

\*Remuneration to key management personnel excludes provisions for gratuity and compensated absences benefit which have been actuarially determined for the Company as a whole and hence amounts pertaining to the KMP cannot be determined.

\*\* Includes Share based payments accrual



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**34 Related party transactions (continued)**

**II Outstanding balances with related parties**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Firstcry Management DWC LLC</b>		
Receivable for service charge	-	-
<b>Shenzhen Starbees Services Ltd</b>		
Payable for professional services	11.41	11.08
<b>Firstcry Retail DWC - LLC</b>		
Receivable for sale of goods	79.65	36.74
Receivable for Service charge	69.96	96.94
Receivable for cost charge back	2.32	10.55
Receivable for Royalty Income	93.06	65.33
<b>Edubees Educational Trust</b>		
Receivable towards security deposit	37.50	25.00
Receivable towards sale of services and goods	12.99	7.42
Receivable towards other advances paid	-	-
<b>Firmroots Private Limited</b>		
Receivable towards sale of services	0.59	0.59
Payable for purchase of goods	0.52	-
Payable towards Rent	0.03	-
<b>Globalbees Brands Private Limited</b>		
Receivable from Services	0.21	-
Security Deposit Payable	0.02	-
<b>Maxinque Solutions Private Limited</b>		
Receivable from Services	0.06	-
<b>Swara Baby Products Private Limited</b>		
Advance given towards purchase of goods	297.40	2.71
Loan given	-	-
Interest receivable	1.47	-
<b>Mahindra Retail Limited (formerly Mahindra Retail Private Limited) which has amalgamated with Mahindra &amp; Mahindra Limited pursuant to an order dated April 29, 2022 passed by National Company Law Tribunal ('NCLT')</b>		
Receivable/(Payable) for sale of goods	(13.14)	(13.14)

All transactions with these related parties are priced on an arm's length basis.



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**35 Ratios as per Schedule III requirements**

**a) Current ratio = Current assets divided by Current liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Current assets	23,701.75	28,752.95
Current liabilities	5,138.11	3,171.73
Ratio	4.61	9.07
% Change from previous period/year	-49.11%	

The change is mainly due to increase in inventory days . The company has a higher inventory as on 31 March, 2022 as compared to 31 March, 2021 which has led to an increase in trade payable and has impacted this ratio.

**b) Debt equity ratio = Total Debt divided by Total equity**

Particulars	As at March 31, 2022	As at March 31, 2021
Total debt	2,854.64	1,423.02
Total equity	35,574.41	35,352.64
Ratio	0.08	0.04
% Change from previous period/year	99.35%	

The above change is due to addition of lease liability as per IndAs 116, considered as debt.

**c) Debt service coverage ratio = Earnings available for debt services divided by Total interest and principal payments**

Particulars	As at March 31, 2022	As at March 31, 2021
Profit/(loss) after tax*	187.76	2,838.67
Add : Non cash operating expenses and finance cost		
- Depreciation and amortisation*	868.20	598.90
- Finance cost*	231.18	123.73
Earnings available for debt services	1,287.14	3,561.29
Interest cost on borrowings*	231.18	123.73
Principal repayments and lease payments	287.97	216.99
Total Interest and principal repayments	519.16	340.71
Ratio	2.48	10.45
% Change from previous period/year	-76.28%	

The above ratio has reduced primarily due to deferred tax utilisation of INR 157.20 millions during the year ended 31 March, 2022 which has led to the reduction in the profit after tax.

**d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity**

Particulars	As at March 31, 2022	As at March 31, 2021
Profit/(Loss) after tax*	187.76	2,838.67
Total Equity	35,574.41	35,352.64
Ratio	0.53%	8.03%
% Change from previous period/year	-93%	

The above ratio has reduced primarily due to deferred tax utilisation of INR 157.20 millions during the year ended 31 March, 2022 which has led to the reduction in the profit after tax.

**e) Inventory Turnover Ratio = Cost of material consumed divided by closing inventory**

Particulars	As at March 31, 2022	As at March 31, 2021
Purchase of traded goods	14,590.88	9,786.07
Changes in inventory	(3,376.81)	(1,474.47)
Cost of material consumed	11,214.07	8,311.60
Average Inventory	6,008.30	2,159.95
Ratio	1.87	3.85
% Change from previous period/year	-51.50%	

The above change is due to increase in inventory as at 31 March, 2022 as compared to 31 March, 2021.



**Brainbees Solutions Private Limited**

**Notes forming part of these standalone financial statements (continued)**

(All amounts in Rupees millions, unless otherwise stated)

**35 Ratios as per Schedule III requirements (continued)**

f) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Credit Sales	17,523.86	9,924.94
Average Trade Receivables (excluding unbilled receivables)	1,446.50	1,286.78
Ratio	12.11	7.71
% Change from previous period/year	57.07%	

There has been an increase in receivable days in March 31, 2022 on account of increased credit period to customers.

g) Trade payables turnover ratio = Credit purchases divided by closing stock

Particulars	As at March 31, 2022	As at March 31, 2021
Credit Purchases	(16,775.86)	(19,033.17)
Closing Trade Payables	3,148.05	9,827.01
Ratio	-5.33	-1.94
% Change from previous period/year	175.14%	

h) Net working capital Turnover Ratio = Sales divided by Net Working capital where net working capital = current assets - current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue from operations	17,523.86	13,092.85
Net working capital	18,563.64	25,581.23
Ratio (Times)	1.06	1.95
% Change from previous period/year	-45.78%	

This ratio has reduced due to reduction in net working capital which is on account of increase in trade payables.

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	As at March 31, 2022	As at March 31, 2021
Profit/(Loss) after tax	187.76	2,838.67
Revenue from operations	17,523.86	13,092.85
Ratio	1.07%	21.68%
% Change from previous period/year	-95%	

The above ratio has reduced primarily due to deferred tax utilisation of INR 157.20 millions during the year ended 31 March, 2022 which has led to the reduction in the profit after tax.

j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	As at March 31, 2022	As at March 31, 2021
Profit/(Loss) before tax (A)	337.74	1,577.09
Finance costs (B)	231.18	123.73
Finance income (C)	898.92	1,345.51
EBIT (D) = (A)+(B)-(C)	(330.00)	355.31
Total equity (E)	35,574.41	35,352.64
Borrowings (including lease liabilities) (F)	2,854.64	1,423.02
Intangible assets (G)	3,437.54	3,444.86
Capital Employed (H)=(E)+(F)-(G)	34,991.51	33,330.80
Ratio (D)/(H)	-0.94%	1.07%
% Change from previous period / year	-188%	

The above ratio has changed primarily due to reduction in profit before tax for the year ended 31 March, 2022 which is due to increase in advertising and marketing expense during the year.





**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**36 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors has been identified as the chief operating decision maker. The Company has only one operating and reportable segment which is "Baby and Kids products". The company has also ventured into pre school business for kids through various franchisee partners in India. However the same does not qualify to be a separate reportable business segment.

Information concerning principal geographic areas is as follows:

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within India	Outside India	Total	Within India	Outside India	Total
Net sales to external customer by geographic area by location of customer	14,058.46	3,465.40	17,523.86	12,804.39	287.96	13,092.85

All the assets of the company are located within India except for foreign currency

**Major Customers:**

The Company has no external customer which accounts for more than 10% of the Company's total revenue for the year ended March 31, 2022 and March 31, 2021.

**37 Share based payments**

See accounting policy in Note 3(f)(ii).

**A. Description of share-based payment arrangements**

The Company has the following share-based payment arrangements:

**Share option plans (equity-settled)**

On March 31, 2011 the Company established share option plans ('Brainbees Employee Stock Option Plan 2011') that entitle the employees to purchase shares in the Company. Under this plan, holders of vested options are entitled to purchase shares at 10% of the market price of the shares determined at the immediately preceding round of equity raised by the Company. All the options have a vesting condition of 25% every year over a period of 4 years and have an exercise life of 10 years.

On April 1, 2019 the Company established share option plans that entitle the employees to purchase shares in the Company. Under this plan, holders of vested options are entitled to purchase shares at INR 5 per share price. The options have a vesting condition of 25% every year over a period of 4 years.

On February 14, 2022 the Company established share option plans that entitle the employees to purchase shares in the Company. Under this plan, holders of vested options are entitled to purchase shares at INR 5 per share price. The vesting of these options is linked to certain market based conditions.

The number of instruments related to all the grants are as follows:

Grant	Number of Instruments
Grant 1	1,02,306
Grant 2	-
Grant 3	54,072
Grant 4	64,956
Grant 5	1,130
Grant 6	1,386
Grant 7	26,320
Grant 8	67,028
Grant 9	38,280
Grant 10	3,59,080
Grant 11	-
Grant 12	49,036
Grant 13	72,61,364
Grant 14	6,89,548
Grant 15	15,13,341
<b>Total share options</b>	<b>1,02,27,847</b>



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**37 Share based payments (continued)**

**B. Measurement of fair values**

**Equity-settled share-based payment arrangements**

The fair value of employee share options has been measured using Black-Scholes option pricing model.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:  
**31 March 2022**

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5
Fair value at grant date	23.23	62.71	83.66	185.92	185.92
Share price at grant date	23.23	62.71	83.67	186.00	186.00
Exercise price	5.81	15.68	20.89	18.60	18.60
Expected volatility (weighted average volatility)	251%	251%	251%	251%	251%
Expected life (expected weighted average Life)	7.50	8.05	8.07	6.25	6.25
Expected dividends	-	-	-	-	-
Risk-free interest rate (based on government bonds)	8.30%	8.81%	8.81%	8.81%	8.81%

**31 March 2022**

Particulars	Grant 6	Grant 7	Grant 8	Grant 9	Grant 10
Fair value at grant date	231.00	235.00	235.00	392.98	392.98
Share price at grant date	234.37	235.00	235.00	402.64	402.64
Exercise price	23.44	23.50	23.50	38.60	38.60
Expected volatility (weighted average volatility)	251%	251%	251%	112%	112%
Expected life (expected weighted average Life)	7.53	6.53	6.53	7.25	7.25
Expected dividends	-	-	-	-	-
Risk-free interest rate (based on government bonds)	8.81%	8.81%	8.81%	6.60%	6.60%

Particulars	Grant 11	Grant 12	Grant 13	Grant 14	Grant 15
Fair value at grant date	392.98	643.71	699.27 - 646.95	699.74	699.74
Share price at grant date	402.64	702.17	703.95	703.95	703.95
Exercise price	5.00	70.22	5.00	5.00	5.00
Expected volatility (weighted average volatility)	112%	72%	68%	72%	72%
Expected life (expected weighted average Life)	7.25	3.00	2	3	3
Expected dividends	-	-	-	-	-
Risk-free interest rate (based on government bonds)	6.60%	4.99%	4.44%	5.71%	5.71%

**March 31, 2021**

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5
Fair value at grant date	23.23	62.71	83.66	185.92	185.92
Share price at grant date	23.23	62.71	83.67	186.00	186.00
Exercise price	5.81	15.68	20.89	18.60	18.60
Expected volatility (weighted average volatility)	251%	251%	251%	251%	251%
Expected life (expected weighted average Life)	7.50	8.05	8.07	6.25	6.25
Expected dividends	-	-	-	-	-
Risk-free interest rate (based on government bonds)	8.30%	8.81%	8.81%	8.81%	8.81%

Particulars	Grant 6	Grant 7	Grant 8	Grant 9	Grant 10
Fair value at grant date	231.00	235.00	235.00	392.98	392.98
Share price at grant date	234.37	235.00	235.00	402.64	402.64
Exercise price	23.44	23.50	23.50	38.60	38.60
Expected volatility (weighted average volatility)	251%	251%	251%	112%	112%
Expected life (expected weighted average Life)	7.53	6.53	6.53	7.25	7.25
Expected dividends	-	-	-	-	-
Risk-free interest rate (based on government bonds)	8.81%	8.81%	8.81%	6.60%	6.60%



**Brainbees Solutions Private Limited**
**Notes forming part of these standalone financial statements (continued)**

(All amounts in Rupees millions, unless otherwise stated)

**37 Share based payments (continued)**

Particulars	Grant 11
Fair value at grant date	392.98
Share price at grant date	402.64
Exercise price	5.00
Expected volatility (weighted average volatility)	11.2%
Expected life (expected weighted average Life)	7.25
Expected dividends	-
Risk-free interest rate (based on government bonds)	6.60%

**C. Reconciliation of outstanding share options**

The number and weighted-average exercise prices of share option under the share option plans are as follows:

**March 31, 2022**

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5
Outstanding at April 1, 2021	1,63,780	2,55,360	2,48,140	6,99,200	1,00,700
Granted during the period	-	-	-	-	-
Forfeited during the period	-	-	-	-	-
Cancelled during the period	(61,474)	(2,55,360)	(1,91,084)	(5,48,421)	(97,365)
Exercised during the period	-	-	(2,984)	(85,823)	(2,205)
Outstanding at March 31, 2022	1,02,306	-	54,072	64,956	1,130
Exercisable at March 31, 2022	1,02,306	-	54,072	64,956	1,130

Particulars	Grant 6	Grant 7	Grant 8	Grant 9	Grant 10
Outstanding at April 1, 2021	11,400	1,14,000	5,54,950	82,040	4,51,384
Granted during the period	-	-	-	-	-
Forfeited during the period	-	-	-	(19,430)	(6,425)
Cancelled during the period	(10,014)	(48,650)	(45,076)	(8,328)	(39,549)
Exercised during the period	-	(39,030)	(4,42,846)	(16,003)	(46,330)
Outstanding at March 31, 2022	1,386	26,320	67,028	38,279	3,59,080
Exercisable at March 31, 2022	1,386	26,320	67,028	38,279	3,59,080

Particulars	Grant 11	Grant 12	Grant 13	Grant 14	Grant 15
Outstanding at April 1, 2021	9,81,636	-	-	-	-
Granted during the period	-	60,046	72,61,364	6,91,548	15,18,699
Forfeited during the period	(31,399)	(11,010)	-	(2,000)	(5,358)
Cancelled during the period	(7,63,990)	-	-	-	-
Exercised during the period	(1,86,247)	-	-	-	-
Outstanding at March 31, 2022	-	49,036	72,61,364	6,89,548	15,13,341
Exercisable at March 31, 2022	-	49,036	72,61,364	6,89,548	15,13,341



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
**(All amounts in Rupees millions, unless otherwise stated)**

**37 Share based payments (continued)**

**March 31, 2021**

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5
Outstanding at April 1, 2020	1,63,780	2,55,360	2,48,140	7,03,950	1,00,700
Granted during the period	-	-	-	-	-
Forfeited during the period	-	-	-	(4,750)	-
Exercised during the period	-	-	-	-	-
Outstanding at March 31, 2021	1,63,780	2,55,360	2,48,140	6,99,200	1,00,700
Exercisable at March 31, 2021	1,63,780	2,55,360	2,48,140	6,99,200	1,00,700

Particulars	Grant 6	Grant 7	Grant 8	Grant 9	Grant 10
Outstanding at April 1, 2020	11,400	1,20,650	5,61,600	82,040	-
Granted during the period	-	-	-	-	4,05,150
Forfeited during the period	-	(6,650)	(6,650)	-	(16,700)
Exercised during the period	-	-	-	-	-
Outstanding at March 31, 2021	11,400	1,14,000	5,54,950	82,040	3,88,450
Exercisable at March 31, 2021	11,400	87,875	2,77,950	20,510	1,12,846

Particulars	Grant 11
Outstanding at April 1, 2020	-
Granted during the period	8,66,138
Forfeited during the period	(24,000)
Exercised during the period	-
Outstanding at March 31, 2021	8,42,138
Exercisable at March 31, 2021	2,90,746

**Weighted average exercise price for:**

Particulars	March 31, 2022	March 31, 2021
Outstanding as at the beginning of the period/year	15.21	15.67
Granted during the period/year	5.41	14.50
Forfeited during the period/year	25.98	19.84
Cancelled during the period/year	13.76	-
Exercised during the period/year	19.92	-
Outstanding at at the end of the period/year	6.97	15.21
Exercisable at at end of the period/year	24.47	15.77



**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
 (All amounts in Rupees millions, unless otherwise stated)

**38 Fair value measurements**

**A Accounting classifications and fair values**

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables and other current financial liabilities approximates their carrying amounts largely due to short term maturities of these instruments.

The following table shows carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

As at March 31, 2022

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
<b>Financial assets at amortised cost</b>				
Investments	10,108.49	-	-	-
Security deposits	278.36	-	-	-
Bank deposits	0.78	-	-	-
Trade receivables	1,446.50	-	-	-
Cash and cash equivalents	1,967.13	-	-	-
Other bank balances	10,463.14	-	-	-
Other Current financial assets	195.66	-	-	-
<b>Total financial assets</b>	<b>24,548.08</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities at amortised cost</b>				
Lease Liability	2,854.64	-	-	-
Trade payables	3,854.43	-	-	-
Other non-current financial liabilities	4.40	-	-	-
Other current financial liabilities	270.35	-	-	-
<b>Total financial liabilities</b>	<b>6,983.82</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at March 31, 2021

Particulars	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
<b>Financial assets</b>				
Investments	3,149.56	-	-	-
Security deposits	164.49	-	-	-
Bank deposits	738.96	-	-	-
Trade receivables	1,286.78	-	-	-
Cash and cash equivalents	2,671.18	-	-	-
Other bank balances	18,993.95	-	-	-
Other financial assets	429.79	-	-	-
<b>Total financial assets</b>	<b>27,434.71</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities at amortised cost</b>				
Lease liability	1,423.02	-	-	-
Trade payables	2,441.67	-	-	-
Other non-current financial liabilities	4.38	-	-	-
Other current financial liabilities	83.47	-	-	-
<b>Total financial liabilities</b>	<b>3,952.54</b>	<b>-</b>	<b>-</b>	<b>-</b>





**Brainbees Solutions Private Limited**  
**Notes forming part of these standalone financial statements (continued)**  
 (All amounts in Rupees millions, unless otherwise stated)

**39 Financial Instruments - Risk management**

**Financial risk management**

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

- i) credit risk;
- ii) liquidity risk; and
- iii) market risk.

**I. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The senior management is for developing and monitoring the Company's risk management policies. The management reports regularly to the board of directors on its activities.

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

**ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes in to account available external and internal credit risk factors and Company's historical experience for customers.

The Company has not made any provision on expected credit loss arising on trade receivables and other financial assets, based on management estimates.

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

**iii. Liquidity risk**

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

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

**As at March 31, 2022**

Particulars	Carrying amount	Contractual cash flows		
		Less than 1 year	1- 3 years	More than 3 years
Trade payables	3,854.43	3,854.43	-	-
Lease liabilities	2,854.64	6,970.66	12,844.51	20,341.60
Other financial liabilities	274.75	274.75	-	-

**As at March 31, 2021**

Particulars	Carrying amount	Contractual cash flows		
		Less than 1 year	1- 3 years	More than 3 years
Trade payables	2,441.67	2,441.67	-	-
Lease liabilities	1,423.01	415.46	817.77	566.80
Other financial liabilities	87.85	87.85	-	-



**Brainbees Solutions Private Limited**

**Notes forming part of these standalone financial statements (continued)**

(All amounts in Rupees millions, unless otherwise stated)

**39 Financial Instruments - Risk management**  
(Continued)

**iv. Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency risk**

The Company's exposure to foreign currency risk is limited as majority of the transactions are in its functional currency. As at the balance-sheet date, the Company had following foreign currency exposures which have not been hedged by any derivative financial instruments as they are not material.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Foreign currency	Rupees	Foreign currency	Rupees
Payable - USD	(0.24)	(17.87)	(0.19)	(14.17)
Payable - EURO	(0.23)	(19.57)	(0.07)	(6.34)
Receivable - USD	1.17	87.09	3.50	256.09
<b>Total</b>		<b>49.65</b>		<b>235.58</b>

**Sensitivity:**

Particulars	Impact on profit before tax and equity	
	March 31, 2022	March 31, 2021
USD sensitivity		
USD/INR -Increase by 5%	3.46	12.10
USD/INR -Decrease by 5%	(3.46)	(12.10)
EURO sensitivity		
EURO/INR -Increase by 5%	(0.98)	(0.32)
EURO/INR -Decrease by 5%	0.98	0.32

**40 Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and other stakeholders' confidence and to sustain future development of the business. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new share or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital using a ratio of 'net debt' 'equity'. For this purpose, net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents and other balances with Banks. Equity comprises all components. The company has no debt as on March 31, 2022 and March 31, 2021.

**41 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.



**Brainbees Solutions Private Limited**

**Notes forming part of these standalone financial statements (continued)**

(All amounts in Rupees millions, unless otherwise stated)

- 42 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

**43 Subsequent events**

- a) The Shareholders of the Holding Company, at the extra-ordinary general meeting held on April 25, 2022 have approved the subdivision of its existing authorised, issued, subscribed and paid-up share capital of face value of Rs. 5 each to face value of Rs. 2 each with effect from April 25, 2022.
- b) The Holding Company has approved vide resolution dated April 25, 2022, acquisition of 100% equity stake of Digital Age Retail Private Limited ("DARP") which is primarily engaged in the business of buying, selling and dealing in baby and kids products.

**44 Other Statutory Information required by schedule III to the Companies Act, 2013**

- a) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- b) The Company does not have any charges or satisfaction which is yet to be registered with the ROC beyond the statutory period.
- c) The Company has not traded or invested in Crypto currency or virtual currency during the current financial year.
- d) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961.
- e) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- f) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- g) The Company has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (intermediaries) with the understanding that the intermediary shall :
- i) Directly or indirectly lend or invest in other person (s) or entities identified in any manner whatsoever on behalf of the Company (ultimate beneficiaries)
- ii) Provide any guarantee, any securities or the like to or on behalf of the ultimate beneficiaries.
- h) The Company has not received any fund from any person (s) or entity (ies), including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the company shall :a) Directly or indirectly lend or invest in other person (s) or entities identified in any manner whatsoever on behalf of the Company (ultimate beneficiaries)b) Provide any guarantee, any securities or the like to or on behalf of the ultimate beneficiaries.
- i) The Company has not revalued any of its property, plants and equipments including Right of Use asset during the year.
- j) The Company has no transactions with any struck off company during the year.

As per our report of even date attached  
For B S R & Co. LLP  
Chartered Accountants  
Firm Registration number - 101248W/W-100022

  
Kalpesh Khandelwal  
Partner  
Membership No. - 133124  
Place : Pune  
Date : 22 August 2022  
UDIN : 22133124APMOAU6226

For and on behalf of the Board of Directors  
Brainbees Solutions Private Limited

  
Supam Maheshwari  
Managing Director  
DIN : 01730685  
Place : Pune  
Date : 22 August 2022

  
Gautam Sharma  
Chief Financial Officer  
Place : Pune  
Date : 22 August 2022

  
Amltava Saha  
Director  
DIN : 02655827  
Place : Pune  
Date : 22 August 2022

  
Samantha Rego  
Company Secretary  
Place : Pune  
Date : 22 August 2022