

HEAD OFFICE:

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Ph.: 011-41626471, 41626470
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E-mail: kapil@bansalco.com

BANSAL & CO LLP
CHARTERED ACCOUNTANTS

To,
The Board of Directors
Brainbees Solutions Limited
(Formerly known as Brainbees Solutions Private Limited)
Rajashree Business Park
Survey No. 338, Next to Sohrabh Hall
Tadiwala Road, Pune - 411001
Maharashtra, India

Dear Sirs,

Re: Certificate on conversion of financial statements of material subsidiaries into India Rupees

Sub: Proposed initial public offering of equity shares of face value of Rs. 2 each ("**Equity Shares**") of Brainbees Solutions Limited (Formerly known as BrainBees Solutions Private Limited) ("**Company**") and such initial public offering, "**Offer**")

1. This certificate is issued in accordance with the terms of our engagement letter dated September 28, 2023 in context of the Issue.
2. At the request of the management of the Company, we have to verify the standalone financial statement of Firstcry General Trading LLC ("**Firstcry General Trading**") translated to Indian Rupees for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 as enclosed to this Certificate (hereinafter referred to as "**Translated Financial Statements**"), which is proposed to be uploaded on the website of Company in connection with the Offer.
3. Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400 ("**SRS 4400**") "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India.
4. We have performed following procedures:
 - a. reviewed the audited standalone financial statements of FirstCry General Trading LLC (FirstCry General Trading) for the years ended March 31, 2022, March 31, 2023, and March 31, 2024 ("**Financial Statements**"), prepared in accordance with the International Financial Reporting Standards and International Accounting Standards, as amended and the reports issued thereon by the statutory auditors ("**FirstCry General Trading Auditors' Report**").
 - b. reviewed the Translated Financial Statements along with the underlying workings; and
 - c. obtained and reviewed the exchange rates provided by the Management with the exchange rates available at the online portal; and
 - d. reviewed necessary documents and received necessary clarifications and explanations from the relevant officers of the Company and FirstCry General Trading.

Management's Responsibility

5. The preparation of the Translated Financial Statements is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant

BRANCHES

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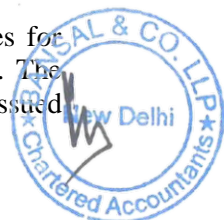
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supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Translated Financial Statements and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

6. The management of the Company is responsible for ensuring that the Translated Financial Statements complies with the provisions of the ICDR Regulations and the requirements under the Companies Act, 2013 and other applicable rules and regulations.

Practitioner's Responsibility

7. Pursuant to the requirements, it is our responsibility to provide a reasonable assurance whether:
1. the Translated Financial Statements have been accurately converted from its functional currency i.e. United Arab Emirates Dirham (AED) to presentation currency i.e. Indian Rupees (INR) in accordance with Indian Accounting Standard (Ind AS) 21 "The Effect of Changes in Foreign Currency Rates" as notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended; and
 2. the Translated Financial Statements have been prepared in compliance with the ICDR Regulations.
8. The Auditors' Report on audited standalone financial statements of Firstcry General Trading (i) as at the end of and for the year ended March 31, 2024 and March 31, 2023, referred to in paragraph 3 above, have been audited by Grant Thornton (the "**Auditors**") and (ii) as at the end of and for the year ended March 31, 2022, referred to in paragraph 3 above, have been audited by M/s BDO Chartered Accountants & Advisors (the "**Previous Auditors**"), on which the Auditors and Previous Auditors have issued an unmodified audit opinion *vide* their reports issued thereon by the statutory auditors dated July 12, 2024, October 18, 2023 and August 04, 2022 respectively. The audit of these standalone financial statements was conducted in accordance with the International Standards on Auditing and other applicable authoritative pronouncements issued by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants. Those Standards require that the Auditors plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free of material misstatement.
9. Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Offer Documents.
10. We did not audit the Financial Statements and Translated Financial Statements of Firstcry General Trading LLC. These Translated Financial Statements should not in any way be construed as a reissuance or re-dating of any previous audit reports, nor should these be construed as a new opinion on any of the Financial Statements.
11. We performed procedures in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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12. We have complied with the relevant applicable requirements of the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by Institute of Chartered Accountants of India.

Opinion

13. Based on our examination, as above, we are of the opinion that:
- the Translated Financial Statements have been accurately converted from its functional currency i.e. United Arab Emirates Dirham (AED) to presentation currency i.e. Indian Rupees (INR) in accordance with Indian Accounting Standard (Ind AS) 21 “The Effect of Changes in Foreign Currency Rates” as notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - the Translated Financial Statements have been prepared in compliance with the ICDR Regulations; and
 - the information herein above is true, complete, accurate and is not misleading.

Restriction on Use

14. This certificate has been prepared at the request of the Company for submission to the Book Running Lead Managers (“**BRLMs**”) (namely, Kotak Mahindra Capital Company Limited, JM Financial Limited, BofA Securities India Limited, Morgan Stanley India Company Private Limited and Avendus Capital Private Limited), and legal counsels (namely, Khaitan & Co and Shardul Amarchand Mangaldas & Co counsels to the Issue under domestic law and Linklaters Singapore Pte. Ltd and Sidley Austin LLP, international legal counsel)) appointed in connection with the Issue by the Company and is not to be considered for any other purpose except submission with the Stock Exchanges, the Securities and Exchange Board of India (“**SEBI**”), Registrar of Companies and any other regulatory or statutory authority in respect of the Issue and for the records to be maintained by the BRLMs in connection with the Issue. This certificate may be relied on by the BRLMs, their affiliates and legal counsels in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation and due diligence of the affairs of the Company in connection with the Offer. We do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing, which shall not be unreasonably withheld.
15. We undertake to immediately inform the BRLMs and legal counsel in case of any changes to the above until the date when the Equity Shares pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

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16. We hereby consent to the submission of this report to any regulatory / statutory/ governmental authority, stock exchanges, any other authority as may be required.

For Bansal & Co LLP

Firm Regn. No. 001113N/N500079

Peer Review Number 011937

Chartered Accountants


Kapil Mittal

Partner

Membership No.: 502221

UDIN: 24502221BKBFXR5113

Place: New Delhi

Date: July 23, 2024

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Firstcry General Trading LLC
Statement of financial position
As at March 31, 2024

(All amounts in INR million, unless otherwise stated)

| Particulars | Notes | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------|-------------------------|-------------------------|-------------------------|
| Assets | | | | |
| Non-current | | | | |
| Right-of-use assets | 5(a) | 0.93 | 2.75 | 4.74 |
| Total non - current assets | | 0.93 | 2.75 | 4.74 |
| Current | | | | |
| Trade and other receivables | 6 | 88.43 | 41.51 | 3.71 |
| Due from related parties | 7 | 57.53 | 68.93 | 73.51 |
| Cash and cash equivalents | 8 | 11.60 | 13.46 | 19.81 |
| Total current assets | | 157.56 | 123.90 | 97.03 |
| Total assets | | 158.50 | 126.65 | 101.77 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Share capital | 11.1 | 1.99 | 1.99 | 1.99 |
| Statutory reserve | 11.2 | 0.85 | 0.22 | 0.10 |
| Retained earnings | | 15.94 | 4.10 | 1.83 |
| Foreign Currency Translation Reserve | | 0.52 | 0.34 | (0.06) |
| Total equity | | 19.30 | 6.65 | 3.86 |
| Liabilities | | | | |
| Non-current | | | | |
| Employees' end of service benefits | 10 | 0.25 | 0.15 | 0.33 |
| Finance lease liabilities | 5(b) | - | 1.11 | 3.06 |
| Total non - current liabilities | | 0.25 | 1.26 | 3.39 |
| Current | | | | |
| Trade and other payables | 9 | 115.20 | 103.30 | 44.87 |
| Due to related parties | 7 | 22.63 | 13.57 | 47.93 |
| Finance lease liabilities | 5 | 1.13 | 1.87 | 1.72 |
| Total current liabilities | | 138.95 | 118.74 | 94.52 |
| Total liabilities | | 139.20 | 120.00 | 97.91 |
| Total equity and liabilities | | 158.50 | 126.65 | 101.77 |

The financial statements for the year ended March 31, 2024 (including comparatives) were approved by the Board of Directors on July 12, 2024 and were signed on their behalf by:

The accompanying notes from 1 to 17 form an integral part of the financial statements.

For Bansal & Co LLP
Firm Regn. No. 001113N/N500079
Chartered Accountants



Kapil Mittal
Partner
Membership No.: 502221



For Firstcry General Trading LLC



Mr. Abhinav Sharma
Manager
Dubai, UAE



Mr. Bhushan Kokate
Finance Manager
Dubai, UAE

Place: New Delhi
Date: 23-07-2024

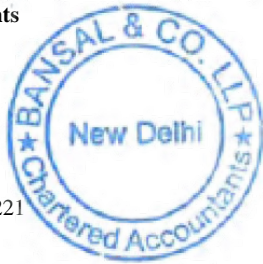
Firstery General Trading LLC
Statement of comprehensive income
For the year ended March 31, 2024
(All amounts in INR million, unless otherwise stated)

| Particulars | Note | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|------|--------------------------------------|--------------------------------------|--------------------------------------|
| Revenue | 12 | 5,326.19 | 4,350.13 | 3,382.49 |
| Cost of goods sold | | (4,846.31) | (3,914.15) | (3,061.54) |
| Gross profit | | 479.89 | 435.98 | 320.95 |
| Selling, administration and general expenses | 13 | (466.62) | (431.62) | (317.92) |
| Amortisation of right of use assets | 5(a) | (1.84) | (1.78) | (1.80) |
| Finance cost of lease liability | 5(b) | (0.10) | (0.19) | (0.10) |
| Other income | | 1.13 | - | - |
| Net profit for the year | | 12.47 | 2.39 | 1.13 |
| Other comprehensive income for the year | | 0.18 | 0.40 | 0.10 |
| Total comprehensive income for the year | | 12.65 | 2.79 | 1.23 |

For Bansal & Co LLP
Firm Regn. No. 001113N/N500079
Chartered Accountants



Kapil Mittal
Partner
Membership No.: 502221



Place: New Delhi
Date: 23-07-2024

For Firstery General Trading LLC



Mr. Abhinav Sharma
Manager
Dubai, UAE



Mr. Bhushan Kokate
Finance Manager
Dubai, UAE

Firstcry General Trading LLC**Statement of cash flows for the year ended March 31, 2024***(All amounts in INR million, unless otherwise stated)*

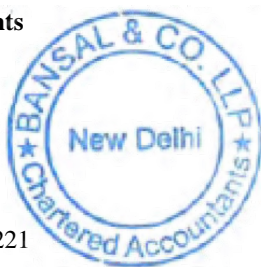
| | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|-------|--------------------------------------|--------------------------------------|--------------------------------------|
| Operating Activities | | | | |
| Net loss for the year | | 12.47 | 2.39 | 1.13 |
| <i>Adjustments for:</i> | | | | |
| Amortisation of right of use assets | 5(a) | 1.84 | 1.78 | 1.80 |
| Finance cost | 5(b) | 0.10 | 0.19 | 0.10 |
| Foreign currency translation reserve | | 0.18 | 0.41 | 0.10 |
| Loss on modification of lease contract | | - | 0.22 | - |
| | | 14.58 | 4.99 | 3.13 |
| Net changes in working capital: | | | | |
| Inventories | | | | |
| Trade and other receivables | 6 | (46.92) | (37.80) | (2.18) |
| Trade and other payables | 9 | 11.90 | 58.43 | 10.98 |
| Due to related parties | 7 | 9.06 | (34.36) | 47.93 |
| Due from related parties | 7 | 11.40 | 4.58 | (61.45) |
| | | 0.01 | (4.16) | (1.59) |
| Employees' end of service benefits paid | 10 | 0.10 | (0.18) | 0.27 |
| Net cash used in operating activities | | 0.11 | (4.34) | (1.32) |
| Investing activity | | | | |
| Purchase of property and equipment | 5 | - | - | - |
| Net cash used in investing activity | | - | - | - |
| Financing activity | | | | |
| Repayment of lease liabilities | 5(b) | (1.98) | (2.01) | (1.87) |
| Net cash from financing activities | | (1.98) | (2.01) | (1.87) |
| Net change in cash and cash equivalents | | (1.86) | (6.36) | (3.19) |
| Cash and cash equivalents, beginning of year | 8 | 13.46 | 19.81 | 23.00 |
| Cash and cash equivalents, end of year | 8 | 11.59 | 13.46 | 19.81 |

For Bansal & Co LLP**Firm Regn. No. 001113N/N500079****Chartered Accountants**

Kapil Mittal

Partner

Membership No.: 502221

**For Firstcry General Trading LLC**

Mr. Abhinav Sharma

Manager

Dubai, UAE


Mr. Bhushan Kokate

Finance Manager

Dubai, UAE

Place: New Delhi

Date: 23-07-2024

Firstcry General Trading LLC
Statement of changes in equity
For the year ended March 31, 2024
(All amounts in INR million, unless otherwise stated)

| Particulars | Share capital | Statutory reserve | Retained earnings | Foreign Currency Translation Reserve | Total equity |
|---|---------------|-------------------|-------------------|--------------------------------------|--------------|
| Balance at March 31, 2021 | 1.99 | 0.04 | 0.76 | (0.16) | 2.63 |
| Profit transferred to reserve | | 0.06 | (0.06) | | - |
| Net profit for the year | - | - | 1.13 | - | 1.13 |
| Gains and losses arising from translating the financial statements of a foreign operation | - | - | - | 0.10 | 0.10 |
| Balance at March 31, 2022 | 1.99 | 0.10 | 1.83 | (0.06) | 3.86 |
| Profit transferred to reserve | | 0.12 | (0.12) | | |
| Net profit for the year | - | - | 2.39 | - | 2.39 |
| Gains and losses arising from translating the financial statements of a foreign operation | - | - | - | 0.40 | 0.40 |
| Balance at March 31, 2023 | 1.99 | 0.22 | 4.10 | 0.34 | 6.65 |
| Profit transferred to reserve | | 0.62 | (0.62) | | |
| Net profit for the year | - | | 12.47 | - | 12.47 |
| Gains and losses arising from translating the financial statements of a foreign operation | - | | - | 0.18 | 0.18 |
| Balance at March 31, 2024 | 1.99 | 0.85 | 15.94 | 0.52 | 19.30 |

For Bansal & Co LLP
Firm Regn. No. 001113N/N500079
Chartered Accountants



Kapil Mittal
Partner
Membership No.: 502221

Place: New Delhi
Date: 23-07-2024



For Firstcry General Trading LLC



Mr. Abhinav Sharma
Manager
Dubai, UAE



Mr. Bhushan Kokate
Finance Manager
Dubai, UAE

1 Legal status and nature of operations

Firstcry General Trading LLC (the "Company") is a limited liability company incorporated in Dubai, United Arab Emirates ("UAE") on July 7, 2019, under the registration number 1615722 and trade license No. 841821. The registered address of the Company is located at W03, Dubai World Central.

As of 2 January 2023, the Company is subject to compliance with UAE Federal Law No. 32 of 2021, which replaces UAE Federal Law No. 2 of 2015. The financial statements have been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. (32) of 2021. The shareholder of the Company is currently in the process of amending the statutory documents, to reflect the changes required due to application of the UAE Federal law No. (32) of 2021.

The principal activity of the Company is general trading which includes trading of baby, kids, and maternity products.

On December 9, 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("Corporate Tax Law" or "the Law") to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime is effective from June 1, 2023, and accordingly, it has an income tax related impact on the financial statements for accounting period beginning on or after June 1, 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of certain free zone entities.

The Company's current taxes shall be accounted for as appropriate in the financial statements for the period beginning April 1, 2024. In accordance with the applicable requirements of IAS 12 - Income Taxes, the related deferred tax accounting impact has been considered for these financial statements and, after considering its interpretations of the applicable tax law, official pronouncements, cabinet decisions and ministerial decisions, it has been concluded that the deferred tax implications are expected to be insignificant. Further, the Company shall continue to monitor critical Cabinet Decisions to determine the impact on the Company, from deferred tax perspective.

2 Statement of compliance and basis of preparation

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2.2 Basis of preparation

These financial statements of the Company comprises of the Statement of financial position as at March 31, 2024, Statement of comprehensive income, Statement of cash flows, Statement of changes in equity for the year ended March 31, 2024 (along with comparatives for the year ended March 31, 2023 and March 31, 2022) and accounting policies and explanatory notes (collectively referred to as "Financial Statements").

These financial statements have been translated by the Company in Indian Rupees (INR) in accordance with Indian Accounting Standard (Ind AS) 21 "The Effect of Changes in Foreign Currency Rates" as notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. These financial statements are translated into INR for the sole purpose of uploading the same on the website of Brainbees Solutions Limited (formally known as Brainbees Solutions Private Limited) ("The Ultimate Parent Company") for the proposed Initial Public Offer ("IPO") of the Ultimate Parent Company in India.

3 Standards, interpretations and amendments to existing standards

3.1 Standards, interpretations and amendments to existing standards that are effective in 2024

Standards, interpretations, and amendments that are effective for this reporting period are:

- References to the Conceptual Framework (Amendments to IFRS 3)
- COVID-19 Related Rent Concessions beyond December 31, 2021 (Amendment to IFRS 16)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements (2018-2020 Cycle):
 - o Subsidiary as a First-time Adopter (Amendments to IFRS 1)
 - o Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendments to IFRS 9)
 - o Lease Incentives (Amendments IFRS 16)
 - o Taxation in Fair Value Measurements (Amendments to IAS 41)

These standards, amendments and interpretations do not have a significant impact on the financial statements and therefore the disclosures have not been made.

3.2 Standards, Interpretations, and amendments to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of the financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company.

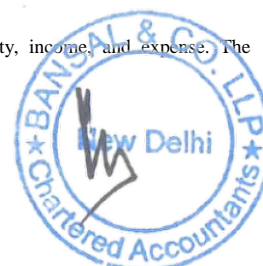
Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current period have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

4 Material accounting policies

4.1 Overall considerations

The Material accounting policies summarized below have been used in the preparation of the financial statements and are consistent with those used in the previous year.

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies below



4.2 Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency") which is AED. These financial statements are presented in Indian Rupees (INR). All values are reported in INR millions. These financial statements have been translated into INR using the following procedures:

- (a) assets and liabilities for each reporting dates are translated at the closing rates at the date of reporting dates i.e. Fiscal 2024 - INR 22.688 per AED, Fiscal 2023 - INR 22.3658 per AED, Fiscal 2022 - INR 20.5579 per AED.
- (b) income and expenses for each statement of comprehensive income are translated at average rate for the period/year i.e. Fiscal 2024 - INR 22.5347 per AED, Fiscal 2023 - INR 21.8371 per AED, Fiscal 2022 - INR 20.2468 per AED.
- (c) Share Capital and Investments in Group Companies have been recognized at the exchange rate prevailing at time of their issuance.
- (d) all resulting exchange difference are recognised in other comprehensive income and accumulated in "Foreign Currency Translation Reserve" in other equity.

4.3 Foreign currency transactions and balances

Foreign currency transactions are converted into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4.4 Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value plus transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled, or expired.

Financial assets and financial liabilities are measured subsequently as described on the next page.

For the purpose of subsequent measurement, financial assets are classified and measured at amortised cost if both of the following conditions are met:

- The asset is held in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest, if any, on the principal amount outstanding.

If the financial asset does not pass either of the above conditions, or only one of the above conditions, it is measured at fair value through profit or loss ('FVTPL'). Even if both conditions are met, management may designate a financial asset at FVTPL if doing so reduces or eliminates a measurement or recognition inconsistency. As at the reporting date, the Company's financial assets comprise trade and other receivables, other financial assets, due from a related party and cash and cash equivalents. These are measured at amortised cost using the effective interest method, less provision for impairment.

Discounting is omitted where the effect of discounting is immaterial.

All income and expenses relating to financial assets measured at amortised cost are recognised in profit or loss and presented within 'finance costs - net' or 'other income - net', except for impairment of trade receivables which is presented within 'selling, administrative and general expenses'. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in Company, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified Company.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2') and
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

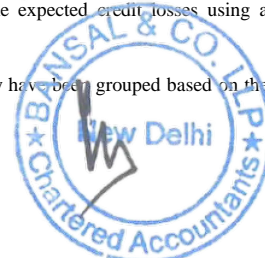
'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.



Classification and subsequent measurement of financial liabilities

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

The Company's financial liabilities include trade and other payables, amounts due to related parties, and finance lease liabilities.

Offsetting financial instruments

Financial assets and liabilities are off set and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.5 Cash and cash equivalents

Cash and cash equivalents are items, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents in the statement of financial position comprise cash on hand and cash in bank and are initially and subsequently recorded at fair value.

4.6 Equity

Share capital represents the nominal value of shares that have been issued. Retained earnings include all current and prior years' profits and losses.

4.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered) are recognised in the period in which the service is rendered and are not discounted. The expected cost of compensated absences is recognised as an expense when the employee renders services that increase their entitlement or, in the case of non-accumulating absences, when the absences occur.

Employees' end of service benefits

A provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the UAE Labour Law and is reported as separate line item under non-current liabilities.

The entitlement to end of service benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period as specified in UAE Labour Law. The expected costs of these benefits are accrued over the period of employment.

The provision for end of service benefits is based on the liability that would arise if the employment of all the employees were terminated at the end of the reporting period.

4.8 Provisions and contingent liabilities

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

4.9 Value-Added Tax (VAT)

Revenue, expenses, and assets are recognized net of the amount of VAT, if applicable. When VAT from sale of goods and/or services (output VAT) exceeds VAT passed on from purchase of goods or services (input VAT), the excess is recognized as a payable in the statement of financial position. When VAT passed on from purchase of goods or services (input VAT) exceeds VAT from sale of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

4.10 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable by the Company, excluding discounts, rebates, and duty.

Sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods supplied. Significant risks and rewards are generally considered to be transferred to the buyer when the customer has taken undisputed delivery of the goods.

IFRS 15 'Revenue from Contracts with Customers' outlines a single comprehensive model of accounting for revenue arising from contracts with. It establishes a five-step model, explained below, which will apply to revenue arising from contracts with customers.

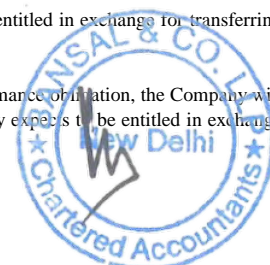
Step 1 Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2 Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3 Determine the transaction price: Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Company satisfies a performance obligation.



The Company recognises revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or an agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Loyalty points programs

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 program or when it is no longer probable that the award credits will be redeemed.

4.11 Expenses

Expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin

4.12 Leases

The Company as a lessee

The Company makes use of leasing arrangements principally for the provision of the office premises. The Company did not enter into sale and leaseback arrangements.

All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

The Company assesses whether a contract is or contains a lease at inception of the contract.

A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease.

The incremental borrowing rate is the estimated rate that the Company would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset.

The revised lease payments are discounted using the Company's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined.

The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review.

The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate.

Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

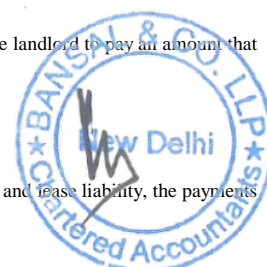
To respond to business needs particularly in the demand for office space, the Company will enter into negotiations with landlords to either increase or decrease available office space or to renegotiate amounts payable under the respective leases.

In some instances, the Company is able to increase office capacity by taking additional floors available and therefore agrees with the landlord to pay an amount that is commensurate with the stand-alone pricing adjusted to reflect the particular contract terms.

In these situations, the contractual agreement is treated as a new lease and accounted for accordingly.

Lease payments not recognized as a liability

The Company has elected to account for short-term leases using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.



4.13 Deferred tax

Deferred tax is recognised for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are recovered, based on the laws that have been enacted or substantively enacted by the reporting date in the countries where the Group entities operate and generate taxable income.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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.

4.14 Significant management judgments and estimates in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income, and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements. Critical estimation uncertainties are described below.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Estimation uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income, and expenses is provided as under:

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. The carrying amounts are analysed in note 5. Actual results, however, may vary with the estimated results due to unseen reasons.

Determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Loyalty points programs

The Company estimates the stand-alone selling price of the loyalty points awarded under the loyalty points programme. The stand-alone selling price of the loyalty points issued is calculated by multiplying the estimated redemption rate and the monetary value assigned to the loyalty points. In estimating the redemption rate, the Company considers breakage which represents the portion of the points issued that will never be redeemed. The Company applies various best industry practices in its estimation using customers' historical redemption patterns as the main input. The redemption rate is updated periodically. In estimating the value of the points issued, the Company considers the mix of products that will be available in the future in exchange for loyalty points and customers' preferences. The Company ensures that the value assigned to the loyalty points is commensurate to the stand-alone selling price of the products eligible for redemption (i.e., the value of each point is equivalent to the stand-alone selling price of any products eligible for redemption divided by number of points required).



Firstcry General Trading LLC
Notes to the financial statements
For the year ended March 31, 2024
(All amounts in INR million, unless otherwise stated)

5 Leases

a) Right to use assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|-------------------------|
| Storage Cost | | | |
| Balance at April 1, | 9.62 | 9.38 | 9.09 |
| Additions during the year (note 15) | - | - | - |
| Modification | - | (0.57) | - |
| Effects of changes in foreign currency rate | 0.14 | 0.81 | 0.28 |
| Balance at March 31, | 9.76 | 9.62 | 9.38 |

| Accumulated depreciation | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|-------------------------|
| Balance at April 1, | 6.87 | 4.64 | 2.73 |
| Charge for the year (note 20) | 1.84 | 1.78 | 1.80 |
| Effects of changes in foreign currency rate | 0.11 | 0.45 | 0.11 |
| Balance at March 31, | 8.82 | 6.87 | 4.64 |
| Net carrying amount at March 31 | 0.93 | 2.75 | 4.74 |

b) Finance lease liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | 3.00 | 4.78 | 6.38 |
| Modifications | - | (0.34) | - |
| Finance cost | 0.10 | 0.19 | 0.10 |
| Lease payments | (1.98) | (2.01) | (1.87) |
| Effects of foreign currency translations | 0.02 | 0.39 | 0.16 |
| Balance at the end of the year | 1.13 | 3.00 | 4.78 |

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--------------|-------------------------|-------------------------|-------------------------|
| Non-current | - | 1.11 | 3.06 |
| Current | 1.13 | 1.87 | 1.72 |
| Total | 1.13 | 2.98 | 4.78 |

Finance lease liabilities are repayable as follows:

| Particulars | Within year | Over 1 year | Total |
|-----------------------------|-------------|-------------|-------|
| As at March 31, 2024 | | | |
| Finance lease liabilities | 1.13 | - | 1.13 |
| As at March 31, 2023 | | | |
| Finance lease liabilities | 1.87 | 1.11 | 2.98 |
| As at March 31, 2022 | | | |
| Finance lease liabilities | 1.72 | 3.06 | 4.78 |



Firstery General Trading LLC
Notes to the financial statements
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Future minimum lease payments as at the end of the reporting period are as follows:

| Particulars | Within year | Over 1 year | Total |
|-----------------------------|-------------|-------------|-------------|
| As at March 31, 2024 | | | |
| Lease payments | 1.10 | - | 1.10 |
| Finance charges | 0.03 | - | 0.03 |
| Net present value | 1.13 | - | 1.13 |
| As at March 31, 2023 | | | |
| Lease payments | 1.80 | 1.08 | 2.88 |
| Finance charges | 0.07 | 0.03 | 0.10 |
| Net present value | 1.87 | 1.11 | 2.98 |
| As at March 31, 2022 | | | |
| Lease payments | 1.54 | 2.95 | 4.49 |
| Finance charges | 0.18 | 0.11 | 0.29 |
| Net present value | 1.72 | 3.06 | 4.78 |

6 Trade and other receivables

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| Trade receivables | 87.32 | 40.42 | 2.93 |
| Other receivables | 0.22 | 0.17 | 0.44 |
| Prepayments | 0.90 | 0.92 | 0.34 |
| Trade and other receivables | 88.43 | 41.51 | 3.71 |



Firstcry General Trading LLC
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7. Related party disclosures

The Company in the normal course of business carries on transactions with other enterprises that fall within the definition of a related party. These transactions are carried out in the normal course of business and are measured at exchange amounts, being the amounts agreed to by both the parties.

The Company's related parties include the other affiliated entities under common control as described below.

Significant transactions carried out with related parties are as follows

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|-------------------------|
| Purchase | | | |
| - Firstcry Retail DWC LLC (Parent Company) | 4,846.31 | 3,914.15 | 3,061.54 |
| Management recharge | | | |
| - Firstcry Retail DWC LLC (Parent Company) | 163.66 | 143.52 | 102.88 |
| - Firstcry Management DWC LLC (Intermediary Parent Company) | 7.48 | 12.00 | 9.43 |
| Sale | | | |
| - Firstcry Trading Company (Fellow Subsidiary Company) | 43.91 | 36.90 | 37.72 |

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|-------------------------|
| Following are details of related party balances: | | | |
| Due to related parties | | | |
| - Firstcry Retail DWC LLC (Parent Company) | - | - | 47.93 |
| - Firstcry Management DWC LLC (Intermediary Parent Company) | 22.63 | 13.57 | - |
| Total | 22.63 | 13.57 | 47.93 |
| Due from related parties | | | |
| - Firstcry Retail DWC LLC (Parent Company) | 45.36 | 45.05 | - |
| - Firstcry Management DWC LLC (Intermediary Parent Company) | - | - | 70.77 |
| - Firstcry Trading Company (Fellow Subsidiary Company) | 12.17 | 23.88 | 2.74 |
| Total | 57.53 | 68.93 | 73.51 |

8. Cash and cash equivalents

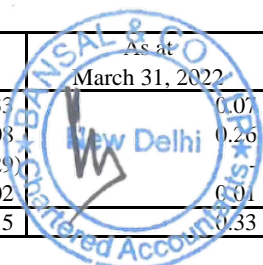
| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---------------|-------------------------|-------------------------|-------------------------|
| Cash at banks | 11.60 | 13.46 | 19.81 |
| Total | 11.60 | 13.46 | 19.81 |

9. Trade and other payables

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| Financial liabilities | | | |
| Accrued Expense | 68.13 | 52.84 | 27.96 |
| Trade payables | 7.10 | 11.12 | 3.25 |
| Employee benefits payable | 0.50 | 0.33 | 0.06 |
| Non-financial liabilities | | | |
| Deferred Revenue | 18.31 | 19.68 | 13.43 |
| VAT payable | 21.16 | 19.33 | 0.17 |
| Total | 115.20 | 103.30 | 44.87 |

10. Employees' end of service benefits

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------|-------------------------|-------------------------|-------------------------|
| Opening balance | 0.15 | 0.35 | 0.07 |
| Charges for the year | 0.09 | 0.03 | 0.26 |
| Payments during the year | - | (0.29) | - |
| Foreign currency translation reserve | 0.01 | 0.02 | 0.01 |
| Ending balance | 0.25 | 0.15 | 0.33 |



Firstcry General Trading LLC
Notes to the financial statements
For the year ended March 31, 2024
(All amounts in INR million, unless otherwise stated)

11. Equity

11.1 Share capital

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|-------------------------|
| Authorised, issued and paid up capital: | | | |
| 100 shares of AED 1,000 each | 1.99 | 1.99 | 1.99 |
| Total | 1.99 | 1.99 | 1.99 |

The authorised, issued, and paid-up share capital of the Company comprises 100 shares (2024: 100) of AED 1,000 each (2023: AED 1,000).

11.2 Statutory reserves

In accordance with the requirement of Article 103 of UAE Federal Law No. (32) of 2021, the Company has appropriated 5% of its net profit amounting to INR 0.62 millions (AED 553,243) to the statutory reserves in the current year.

The shareholder of the Company is currently in the process of amending the statutory documents, to reflect the changes required due to application of the UAE Federal law No. (32) of 2021.

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------|-------------------------|-------------------------|-------------------------|
| Opening balance | 0.22 | 0.10 | 0.04 |
| Profit transferred to reserve | 0.62 | 0.12 | 0.06 |
| Ending balance | 0.85 | 0.22 | 0.10 |

12. Revenue

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Baby and kids products | 5,311.82 | 4,306.67 | 3,237.78 |
| Maternity products | 14.37 | 43.46 | 144.71 |
| Total | 5,326.19 | 4,350.13 | 3,382.49 |

The Company's revenue disaggregated by primary geographical market is as follow:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|-------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| United Arab Emirates | 5,218.48 | 4,277.59 | 3,360.90 |
| Kingdom of Saudi Arabia | 97.71 | 63.49 | - |
| Bahrain | 5.35 | 5.79 | 10.92 |
| Oman | 4.66 | 3.26 | 10.67 |
| Total | 5,326.19 | 4,350.13 | 3,382.49 |

13. Selling, administration and general expenses

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Employee benefits expenses | 3.15 | 2.98 | 4.99 |
| Courier expenses | 286.53 | 266.68 | 197.79 |
| Management recharge (Note 8) | 171.14 | 155.52 | 112.31 |
| Legal and professional expenses | 2.15 | 2.76 | 1.18 |
| Rates and taxes | - | - | 0.39 |
| Bank charges | 1.30 | 1.09 | 0.97 |
| Visa and immigration | 0.15 | 0.40 | - |
| Repairs and maintenance | 0.02 | 0.22 | - |
| Other | 2.18 | 1.96 | 0.29 |
| Total | 466.62 | 431.62 | 317.92 |



14 Financial instruments risk

Risk management objectives and policies

The Company is exposed to various risks in relation to the financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated by the Manager and Shareholder and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below:

14.1 Market risk

Market Risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk which result from both its operating and investing activities.

Foreign currency risk

Foreign currency risk is the risk that the fair values of a Financial instrument will fluctuate due to changes in foreign exchange rates.

Most of the company's exposure are carried out in AED. The Company does not have major exposure in foreign currency other than the United States Dollar (USD). The risk related to the transactions denominated in USD is minimal as the AED is pegged against USD

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company has no significant variable interest-bearing assets and liabilities as at the reporting date. The Company's income and operating cash flows are substantially independent of changes in market interest rates.

14.2 Credit risk analysis

Credit risk is the risk that a counter party fails to discharge an obligation to the Company.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------|-------------------------|-------------------------|-------------------------|
| Trade and other receivables (note 6) | 87.54 | 40.59 | 3.37 |
| Due from related parties (note 7) | 57.53 | 68.93 | 73.51 |
| Cash at banks (note 7) | 11.60 | 13.46 | 19.81 |
| | 156.67 | 122.97 | 96.70 |

| As at March 31, 2024 | Current | More than 30 days | More than 60 days | More than 90 days | More than 180 days | More than 360 days | Total |
|----------------------|---------|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|-------|
| Trade receivables | 87.32 | - | - | - | - | - | 87.32 |
| | 87.32 | - | - | - | - | - | 87.32 |

| As at March 31, 2023 | Current | More than 30 days | More than 60 days | More than 90 days | More than 180 days | More than 360 days | Total |
|----------------------|---------|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|-------|
| Trade receivables | 40.42 | - | - | - | - | - | 40.42 |
| | 40.42 | - | - | - | - | - | 40.42 |

| As at March 31, 2022 | Current | More than 30 days | More than 60 days | More than 90 days | More than 180 days | More than 360 days | Total |
|----------------------|---------|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|-------|
| Trade receivables | 2.93 | - | - | - | - | - | 2.93 |
| | 2.93 | - | - | - | - | - | 2.93 |

Trade and other receivables

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. Based on historical information in relation to customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

Management evaluates credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings in accordance with limits set by the management. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or by use of major credit cards. All of the Company's other receivables have been reviewed for indicators of impairment. The impaired other receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

Related Parties

The management of the Company is directly involved in the Company's operations and reviews and approves the transactions with the related parties. The balances are reconciled periodically with the related parties through intercompany reconciliation and confirmations.

Cash at Banks

The credit risk for cash in banks is considered negligible since the counterparties are reputable banks with high quality external credit ratings.



14.3 Liquidity risk analysis

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value

The Company manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared, and adequate utilisation of borrowing facilities are monitored, including the need for additional borrowings, as required.

The table below summarises the maturities of the Company's undiscounted financial liabilities at March 31, based on contractual payment dates and current market interest rates.

| At March 31, 2024 | Within 1 Year | Over 1 Year | Total |
|-------------------------------------|---------------|-------------|-------|
| Trade and other payables (note 16) | 75.72 | - | 75.72 |
| Due to related parties (note 9) | 22.63 | - | 22.63 |
| Finance lease liabilities (note 15) | 1.13 | - | 1.13 |
| | 99.49 | - | 99.49 |

| At March 31, 2023 | Within 1 Year | Over 1 Year | Total |
|-------------------------------------|---------------|-------------|-------|
| Trade and other payables (note 16) | 64.29 | - | 64.29 |
| Due to related parties (note 9) | 13.57 | - | 13.57 |
| Finance lease liabilities (note 15) | 1.87 | 1.11 | 2.98 |
| | 79.73 | 1.11 | 80.84 |

| At March 31, 2022 | Within 1 Year | Over 1 Year | Total |
|-------------------------------------|---------------|-------------|-------|
| Trade and other payables (note 16) | 31.27 | - | 31.27 |
| Due to related parties (note 9) | 47.93 | - | 47.93 |
| Finance lease liabilities (note 15) | 1.72 | 3.06 | 4.79 |
| | 80.92 | 3.06 | 83.98 |

15 Fair value measurement

Assets and liabilities in the statement of financial position measured at fair value are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level I 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).

None of the Company's assets and liabilities in the statement of financial position as at the reporting date have been measured at fair value.

16 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to provide an adequate return to the Shareholder; and
- to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the equity, return capital to the Shareholder or obtain additional funding from Shareholder.

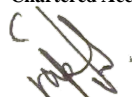
The Company monitors capital on the basis of the carrying amount of equity less cash and bank balances as presented on the face of the statement of financial position.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year. There are no externally imposed capital requirements.

17 Comparatives figures

Certain comparative figures have been reclassified in order to confirm to the current year's presentation.

For Bansal & Co LLP
Firm Regn. No. 001113N/N500079
Chartered Accountants




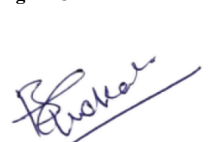
Kapil Mittal
Partner
Membership No.: 502221

Place: New Delhi
Date: 23-07-2024



For Firstery General Trading LLC


Mr. Abhinav Sharma
Manager
Dubai, UAE


Mr. Bhushan Kokate
Finance Manager
Dubai, UAE