



# **Imagine Marketing Limited**

## **Annual Report-2021-22**

## **Corporate Information**

### **Board of Directors & Key Managerial Personnel**

Mr. Sameer Mehta	- Whole-time Director
Mr. Aman Gupta	- Whole-time Director
Mr. Vivek Gambhir	- Whole-time Director & Chief Executive Officer
Mr. Anish Saraf	- Non-Executive Director
Mr. Aashish Kamat	- Independent Director
Mr. Anand Ramamoorthy	- Independent Director
Mr. Deven Waghani	- Independent Director
Mrs. Purvi Sheth	- Independent Director
Mr. Ankur Sharma	- Chief Financial Officer
Mr. Gaurav Nayyar	- Chief Operation Offer
Mr. Mukesh Ranga	- Company Secretary

### **Bankers**

1. The Hongkong and Shanghai Banking Corporation Limited
2. RBL Bank Limited
3. ICICI Bank Limited
4. Axis Bank Limited
5. HDFC Bank Limited
6. Standard Chartered Bank
7. Citi Bank N.A.

### **Registered Office**

Unit No. 204 & 205, 2<sup>nd</sup> Floor, D-Wing & E-Wing,  
Corporate Avenue, Andheri Ghatkopar Link Road,  
Andheri (East), Mumbai-400093, Maharashtra, India  
Tel. No.: +91-22-62102400  
Website: [www.boat-lifestyle.com](http://www.boat-lifestyle.com)  
CIN: U52300MH2013PLC249758

### **Corporate Office**

19, Hauz Khas Village, 2<sup>nd</sup> Floor,  
New Delhi – 110016  
Tel. No.: +91-11-4502437

### **Statutory Auditors**

M/s. BSR & Co. LLP,  
Chartered Accountants

### **Secretarial Auditors**

M/s. M Siroya and Company  
Company Secretaries

### **Registrar & Share Transfer Agents**

Link Intime India Pvt. Ltd.  
C 101, 247 Park, L.B.S.Marg,  
Vikhroli (West), Mumbai – 400083, Maharashtra, India  
Tel No.: +91-22-4918 6270

<b>Content</b>	<b>Page No.</b>
Notice.....	1
Directors' Report.....	31
Standalone Auditor Report.....	62
Standalone Financials Statement.....	76
Consolidated Auditor Report.....	134
Consolidated Financials Statement.....	145

## **Notice**

Notice is hereby given that the 9<sup>th</sup> (Ninth) Annual General Meeting (“AGM”) of the members of Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited) (CIN: U52300MH2013PLC249758) will be held on Friday, December 23, 2022 at 11.30 a.m. (IST) through Video Conference (“VC”) or Other Audio Visual Means (“OAVM”) facility to transact the following businesses:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

### **ORDINARY BUSINESSES**

1. To receive, consider and adopt:

(a) the audited Standalone financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the report of the Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

(a) **“RESOLVED THAT** the audited Standalone financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

(b) **“RESOLVED THAT** the audited Consolidated financial statements of the Company for the financial year ended March 31, 2022 and the report of the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

2. To appoint Mr. Sameer Ashok Mehta (DIN: 02945481), who retires by rotation as a Director and being eligible, seeks re-appointment., and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Sameer Ashok Mehta (DIN: 02945481), who retires by rotation at this meeting and being eligible for re-appointment be re-appointed as a Director of the Company.”

### **SPECIAL BUSINESSES**

3. **To appoint Mr. Sameer Ashok Mehta (DIN: 024945481) as Whole time Director of the Company**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Articles of Association of the Company, pursuant to applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on

recommendation of Nomination and Remuneration Committee of the Board of Directors and Board of Directors, approval of Shareholders of the Company be and is hereby accorded for the appointment of Mr. Sameer Mehta (DIN: 02945481), as the Whole-Time Director of the Company, who shall be liable to retire by rotation, for a period of 5 (Five) years commencing from July 05, 2022, on such remuneration, terms and conditions as may be specified below:

**A. Remuneration:**

- a. Remuneration of Rs. 2.50 Crore per annum;
- b. Performance Linked Bonus: Performance Linked Bonus shall not exceed 100% of Salary, which will be finalized at the discretion of the Board and/or the Nomination and Remuneration Committee, based on certain performance criteria and such other parameters as may be considered appropriate. The said Performance Linked Bonus shall be in addition to the Remuneration under (a) above;
- c. The Company's contribution to provident fund, gratuity payment and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (a) above;
- d. Net Pay calculations are excluding of TDS as may be applicable under the Income Tax Act.
- e. The aggregate of the Remuneration, Performance Linked Bonus and Perquisites and Allowances as aforesaid in any financial year shall not exceed the limit from time to time under Sections 197 & 198 and other applicable provisions, if any, of the Act and Rules made thereunder, read with Schedule V to the Act including any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible subject to the law;
- f. When in any financial year, the Company has no profits or its profits are inadequate, the Remuneration including the Performance Linked Bonus and Perquisites and Allowances as aforesaid will be paid to Mr. Sameer Mehta, Whole Time Director as minimum remuneration for that year and in accordance with the applicable provisions of the Act, Rules thereunder and Schedule V to the Act, and subject to the approval of the Shareholders, if required and subject to such conditions and modifications as may be prescribed or imposed by the Shareholders while granting such approval, as applicable;

**B. Other Terms & Conditions:**

- Mr. Sameer Mehta, Whole Time Director shall perform such duties as shall from time to time be entrusted to him, subject to overall supervision, guidance and control of the Board of Directors of the Company.
- Reimbursement of expenses actually and properly incurred by him for and in connection with the business of the Company.
- shall not be entitled to receive any sitting fees for attending the meetings of the Board of Directors or the Committee(s) thereof.
- shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- shall adhere to the Company's Code of Conduct and policies framed by the Company

from time to time.

- If, at any time, Mr. Sameer Mehta ceases to be a director of the Company for any cause whatsoever, his office as Whole Time Director shall forthwith be terminated

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Sameer Mehta (DIN: 02945481) by way of salary, perquisites and other allowances and benefits shall not exceed the limits laid down in Section 197 read with Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors or Nomination and Remuneration Committee be and is hereby authorised to vary, alter, increase, enhance or widen the scope of remuneration and perquisites, from time to time, subject to the limits specified in Section 197, 198 and schedule V and other applicable provisions, if any, of the Act and relevant Rules as amended from time to time.

**RESOLVED FURTHER THAT** notwithstanding anything contained herein, where in any financial year during the tenure of Mr. Sameer Mehta (DIN: 02945481) as the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may make payment of the remuneration payable to him, as decided by the Board, subject to receipt of requisite approvals, wherever required.

**RESOLVED FURTHER THAT** anyone Director of the Company be and is hereby severally authorized to do all such acts, deeds matters and things as it may in its absolute discretion deem necessary or desirable for the purpose of giving effect to this resolution.

**RESOLVED FURTHER THAT** anyone Director of the Company be and is hereby severally authorized to file requisite form(s) with the Ministry of Corporate Affairs, Government of India, inform / intimate such other authorities as may be required and to do all such acts, deeds, things which are incidental and ancillary to it."

**4. To appoint Mr. Aman Gupta (DIN: 02249682) as Whole time Director of the Company**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Articles of Association of the Company, pursuant to applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on recommendation of Nomination and Remuneration Committee of the Board of Directors and Board of Directors, approval of Shareholders of the Company be and is hereby accorded for the appointment of Mr. Aman Gupta (DIN: 02249682), as the Whole-Time Director of the Company, who shall be liable to retire by rotation, for a period of 5 (Five) years commencing from July 05, 2022, on such remuneration, terms and conditions as may be specified below:

**A. Remuneration:**

- a. Remuneration of Rs. 2.50 Crore per annum;

- b. Performance Linked Bonus: Performance Linked Bonus shall not exceed 100% of Salary, which will be finalized at the discretion of the Board and/or the Nomination and Remuneration Committee, based on certain performance criteria and such other parameters as may be considered appropriate. The said Performance Linked Bonus shall be in addition to the Remuneration under (a) above;
- c. The Company's contribution to provident fund, gratuity payment and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (a) above;
- d. Net Pay calculations are excluding of TDS as may be applicable under the Income Tax Act.
- e. The aggregate of the Remuneration, Performance Linked Bonus and Perquisites and Allowances as aforesaid in any financial year shall not exceed the limit from time to time under Sections 197 & 198 and other applicable provisions, if any, of the Act and Rules made thereunder, read with Schedule V to the Act including any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible subject to the law;
- f. When in any financial year, the Company has no profits or its profits are inadequate, the Remuneration including the Performance Linked Bonus and Perquisites and Allowances as aforesaid will be paid to Mr. Aman Gupta ,Whole Time Director as minimum remuneration for that year and in accordance with the applicable provisions of the Act, Rules thereunder and Schedule V to the Act, and subject to the approval of the Shareholders, if required and subject to such conditions and modifications as may be prescribed or imposed by the Shareholders while granting such approval, as applicable;

**B. Other Terms & Conditions:**

- Mr. Aman Gupta, Whole Time Director shall perform such duties as shall from time to time be entrusted to him, subject to overall supervision, guidance and control of the Board of Directors of the Company.
- Reimbursement of expenses actually and properly incurred by him for and in connection with the business of the Company.
- shall not be entitled to receive any sitting fees for attending the meetings of the Board of Directors or the Committee(s) thereof.
- shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- shall adhere to the Company's Code of Conduct and policies framed by the Company from time to time.
- If, at any time, Mr. Aman Gupta ceases to be a director of the Company for any cause whatsoever, his office as Whole Time Director shall forthwith be terminated.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Aman Gupta (DIN: 02249682) by way of salary, perquisites and other allowances and benefits shall not exceed the

limits laid down in Section 197 read with Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors or Nomination and Remuneration Committee be and is hereby authorised to vary, alter, increase, enhance or widen the scope of remuneration and perquisites, from time to time, subject to the limits specified in Section 197, 198 and schedule V and other applicable provisions, if any, of the Act and relevant Rules as amended from time to time.

**RESOLVED FURTHER THAT** notwithstanding anything contained herein, where in any financial year during the tenure of Mr. Aman Gupta (DIN: 02249682) as the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may make payment of the remuneration payable to him, as decided by the Board, subject to receipt of requisite approvals, wherever required.

**RESOLVED FURTHER THAT** anyone Director of the Company be and is hereby severally authorized to do all such acts, deeds matters and things as it may in its absolute discretion deem necessary or desirable for the purpose of giving effect to this resolution.

**RESOLVED FURTHER THAT** anyone Director of the Company be and is hereby severally authorized to file requisite form(s) with the Ministry of Corporate Affairs, Government of India, inform / intimate such other authorities as may be required and to do all such acts, deeds, things which are incidental and ancillary to it."

**5. To appoint Mr. Vivek Gambhir (DIN: 06527810) as Whole time Director of the Company**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Articles of Association of the Company, pursuant to applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on recommendation of Nomination and Remuneration Committee of the Board of Directors and Board of Directors, approval of Shareholders of the Company be and is hereby accorded for the appointment of Mr. Vivek Gambhir (DIN:06527810), as the Whole-Time Director of the Company, who shall be liable to retire by rotation, for a period of 5 (Five) years commencing from July 05, 2022, on such remuneration, terms and conditions as may be specified below:

**A. Remuneration:**

- a. Remuneration of Rs. 3 Crore per annum;
- b. Performance Linked Bonus: Performance Linked Bonus shall not exceed 100% of Salary, which will be finalized at the discretion of the Board and/or the Nomination and Remuneration Committee, based on certain performance criteria and such other parameters as may be considered appropriate. The said Performance Linked Bonus shall be in addition to the Remuneration under (a) above;
- c. The Company's contribution to provident fund, gratuity payment and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (a)



above;

- d. Net Pay calculations are excluding of TDS as may be applicable under the Income Tax Act.
- e. The aggregate of the Remuneration, Performance Linked Bonus and Perquisites and Allowances as aforesaid in any financial year shall not exceed the limit from time to time under Sections 197 & 198 and other applicable provisions, if any, of the Act and Rules made thereunder, read with Schedule V to the Act including any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible subject to the law;
- f. When in any financial year, the Company has no profits or its profits are inadequate, the Remuneration including the Performance Linked Bonus and Perquisites and Allowances as aforesaid will be paid to Mr. Vivek Gambhir, Whole Time Director as minimum remuneration for that year and in accordance with the applicable provisions of the Act, Rules thereunder and Schedule V to the Act, and subject to the approval of the Shareholders, if required and subject to such conditions and modifications as may be prescribed or imposed by the Shareholders while granting such approval, as applicable;

## **B. Other Terms & Conditions:**

- Mr. Vivek Gambhir, Whole Time Director shall perform such duties as shall from time to time be entrusted to him, subject to overall supervision, guidance and control of the Board of Directors of the Company.
- Reimbursement of expenses actually and properly incurred by him for and in connection with the business of the Company.
- shall not be entitled to receive any sitting fees for attending the meetings of the Board of Directors or the Committee(s) thereof.
- shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- shall adhere to the Company's Code of Conduct and policies framed by the Company from time to time.
- If, at any time, Mr. Vivek Gambhir ceases to be a director of the Company for any cause whatsoever, his office as Whole Time Director shall forthwith be terminated

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Vivek Gambhir (DIN:06527810) by way of salary, perquisites and other allowances and benefits shall not exceed the limits laid down in Section 197 read with Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors or Nomination and Remuneration Committee be and is hereby authorised to vary, alter, increase, enhance or widen the scope of remuneration and perquisites, from time to time, subject to the limits specified in Section 197, 198 and schedule V and other applicable provisions, if any, of the Act and relevant Rules as amended from time to time.



**RESOLVED FURTHER THAT** notwithstanding anything contained herein, where in any financial year during the tenure of Mr. Vivek Gambhir (DIN:06527810) as the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may make payment of the remuneration payable to him, as decided by the Board, subject to receipt of requisite approvals, wherever required.

**RESOLVED FURTHER THAT** anyone Director of the Company be and is hereby severally authorized to do all such acts, deeds matters and things as it may in its absolute discretion deem necessary or desirable for the purpose of giving effect to this resolution.

**RESOLVED FURTHER THAT** anyone Director of the Company be and is hereby severally authorized to file requisite form(s) with the Ministry of Corporate Affairs, Government of India, inform / intimate such other authorities as may be required and to do all such acts, deeds, things which are incidental and ancillary to it."

**6. Approve the remuneration by way of Commission to Non-Executive Directors and Independent Directors of Company for the Financial Year ended March 31, 2022**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of sections 149, 197, 198 and all other applicable provisions of the Companies Act, 2013, and applicable Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Articles of Association of the Company, and on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded for the payment of remuneration by way of commission, to the Non-Executive Directors and Independent Directors of the Company for the Financial Year ended March 31, 2022, a specified amount or at a specified percentage of the net profits of the Company, up to one percent of the net profits of the Company as computed in the manner provided in section 198 of the Companies Act, 2013, or as may be decided by the Board of Directors from time to time (hereinafter referred to as the “Board” which term shall be deemed to include any committee constituted / may be constituted by the Board of Directors of the Company including the NRC , or any other person(s), for the time being exercising the powers conferred on the Board of Directors by this resolution and as may be authorized by the Board in this regard), provided that the total remuneration payable to the Non-Executive Directors and Independent Directors per annum shall not exceed the maximum permissible limit under Section 197 of the Act read with Schedule V of the Act, with an authority to the Board of Directors to determine the manner and proportion in which the amount be distributed among the Non-Executive Directors and Independent Directors.

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to the fee payable to the Director(s) for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever, as may be decided by the Board of Directors and NRC , and reimbursement of expenses for participation in the Board and other meetings.

**RESOLVED FURTHER THAT** the Board of Directors (including the Nomination and Remuneration Committee of the Board) be and is hereby authorised to do all such acts, deeds, matters and things in this connection as may be considered necessary, proper, desirable and expedient including seeking all approvals as may be required to give effect to this Resolution and to settle any question, difficulty or doubt that may arise in this regard.”

**7. Approve the remuneration for a period of five years to be paid by way of commission to Non-Executive Directors and Independent Directors of the Company**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of sections 149, 197, 198 and all other applicable provisions of the Companies Act, 2013, and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of the Articles of Association of the Company, and on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors of the Company, the Company be and is hereby authorised to pay remuneration by way of commission to the Non-Executive Directors and Independent Directors of the Company for a period of five years commencing from the financial year 2022-23 to financial year 2026-27, a specified amount or at a specified percentage of the net profits of the Company, up to one percent of the net profits of the Company as computed in the manner provided in section 198 of the Companies Act, 2013, or as may be decided by the Board of Directors from time to time (hereinafter referred to as the “Board” which term shall be deemed to include any committee constituted / may be constituted by the Board of Directors of the Company including the NRC, or any other person(s), for the time being exercising the powers conferred on the Board of Directors by this resolution and as may be authorized by the Board in this regard), provided that the total remuneration payable to the Non-Executive Directors and Independent Directors per annum shall not exceed the maximum permissible limit under Section 197 of the Act read with Schedule V of the Act, with an authority to the Board of Directors to determine the manner and proportion in which the amount be distributed among the Non-Executive Directors and Independent Directors.

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to the fee payable to the Director(s) for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever, as may be decided by the Board of Directors and NRC , and reimbursement of expenses for participation in the Board and other meetings.

**RESOLVED FURTHER THAT** the Board of Directors (including the Nomination and Remuneration Committee of the Board) be and is hereby authorised to do all such acts, deeds, matters and things in this connection as may be considered necessary, proper, desirable and expedient including seeking all approvals as may be required to give effect to this Resolution and to settle any question, difficulty or doubt that may arise in this regard.”

**8. Amendment of Articles of Association of the Company**

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 5 and 14 of the Companies Act, 2013 and the relevant rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) (“the Act”) and all other applicable laws, acts, rules, circulars and notifications and subject to such consent(s), permission(s) or sanction(s) as may be required, draft of the new set of articles of association of the Company, as made available for inspection by Members of the Company, the consent of the shareholders be and is hereby accorded to adopt the amended and restated Articles of Association of the Company with immediate effect, as tabled before the members and initialled by the Chairman for the purpose of identification, in supersession of the current Articles of Association of the Company.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things and execute all documents and writings, make all filings, take all steps and give such directions as may be required, necessary, expedient or desirable in connection with or incidental for giving effect to the above resolution, including paying fees and incurring expenses in relation thereto and to file such documents, forms, etc., as required with the regulatory/statutory authorities, authorise the officials of the Company for the aforesaid purpose, as may be deemed fit to give effect to this Resolution, and removing any difficulty arising in relation thereto, and complying with all other requirements in this regard.

**RESOLVED FURTHER THAT** the Company Secretary and/or any of the Directors of the Company be and are hereby individually and severally authorized to sign such forms/returns, and various documents as may be required to be submitted to the Registrar of Companies, Mumbai, or such other authorities and to do all the acts, deeds and things which may be necessary to give effect to the aforesaid resolution.”

**9. Approval of Employee Stock Option Plan for employees of the Subsidiaries Company(ies)**

To consider and if thought fit to pass with or without modification(s), the following resolution as **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with the applicable Rules framed thereunder including the Companies (Share Capital and Debentures) Rules, 2014 including any statutory modification(s) or re-enactment of the Act (the "Act"), for the time being in force and in accordance with the provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "the Board" which term shall be deemed to include the Nomination and Remuneration Committee), consent of the members of the Company be and is hereby accorded to the Board to extend the benefits of “Imagine Employee Stock Option Plan-2019 (ESOP-2019) passed vide Special Resolution dated November 05, 2019 to the Employees, whether working in India or out of India and Directors whether Whole-time Directors or not, of the subsidiaries company(ies) of the Company unless they are prohibited from participating in the ESOP-2019 under any law or regulations for the time being in force, on such terms and conditions as may be decided by the Board.

**RESOLVED FURTHER THAT** for the purpose of creating, offering, issuing, allotting the Securities, the Board be and is hereby authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions the ESOP-2019 from time to time or to suspend, withdraw or revive ESOP-2019 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company.”

**10. Approval for ESOPs granted to employee above 1% of the total paid-up share Capital of the Company under the “Imagine Management Stock Option Plan-2021 for employees of the Subsidiary Companies**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of the Section 62(1)(b) and any other applicable provisions of Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification or re-enactment thereof for time being in force), in accordance with the provisions of the “Imagine Marketing Limited Management Stock Option Plan – 2021” (ESOP-2021) adopted by the Company on 25<sup>th</sup> March, 2021, the consent of the members of the Company be and is hereby accorded for the 54,98,000 ESOPs granted to Mr. Vivek Gambhir, Chief Executive Officer and Whole Time Director of the Company which is more than 1% of the issued capital (excluding outstanding warrants, equity linked instrument and conversions) of the Company.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof including the Nomination & Remuneration Committee (“NRC”) constituted / may be constituted by the Board of Directors of the Company or any other person(s), for the time being exercising the powers conferred on the Board of Directors by this resolution and as may be authorized by the Board in this regard), be and is hereby authorised to undertake all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable to give full effect to the aforesaid resolution including but not limited to delegate any powers conferred upon the Board by this resolution to any officials of the Company, to execute required documents, deeds and writings and to settle any questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

By Order of the Board  
**For Imagine Marketing Limited**

Place: Mumbai  
Date: November 18, 2022

Mukesh Ranga  
**Company Secretary**  
Membership No.: A30560

**Registered Office:**

Unit No. 204 & 205, 2<sup>nd</sup> floor in Wing-“D” & Wing-“E”,  
Corporate Avenue, Andheri Ghatkopar Link Road,  
Andheri (East), Mumbai-400093, Maharashtra, India  
Tel. No.: +91-22-62102400  
CIN: U52300MH2013PTC249758  
Website: [www.boat-lifestyle.com](http://www.boat-lifestyle.com)  
e-mail: [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com)

**Notes:**

- (1) Statement pursuant to Section 102(1) of the Companies Act, 2013 (the “Act”), in respect of the Special Business to be transacted at the Annual General Meeting (“AGM”) is annexed hereto. Details of Directors whose appointment is proposed pursuant to Secretarial Standards on General Meeting (SS-2) is also provided.
- (2) In view of the General Circulars No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, , Circular No. 02/2021 dated January 13, 2021, 10/2021 dated June 23, 2021, 19/2021 dated December8, 2021 and Circular No. 02/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as “MCA Circulars”) allowed the Companies to hold their Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA Circulars, the Annual General Meeting of the Company is being held through VC / OAVM.
- (3) In view of the aforementioned, this AGM of the Members is being held through VC/OAVM. Members are requested to join and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is provided in the notice.
- (4) Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the “Annexure” to the Notice.
- (5) A statement pursuant to the provisions of Section 102(1) of the Act, relating to the Special Businesses to be transacted at the AGM, is annexed hereto.
- (6) Since the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, the facility for appointment of proxies by the members will not be available.
- (7) However, pursuant to sections 113 of the Act, representatives of the members may be appointed for the purpose of participation and voting in the meeting. The Institutional / Corporate Shareholders are required to send a scanned copy of its Board or governing body resolution/authorization etc., authorizing its representative to attend this AGM and to vote through VC on its behalf. The said Resolution/Authorization shall be sent to the Company to its designated email address at [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com).
- (8) In accordance with the Secretarial Standard-2 (SS-2) on general meetings issued by the Institute of Company Secretaries of India (“ICSI”) read with Clarification/Guidance on applicability of SS-2 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the registered office of the Company which shall be the deemed venue of the AGM.
- (9) Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant for receiving all communications from the Company through electronically mode.
- (10) The Company has engaged the services of National Securities Depository Limited (NSDL) as the authorized agency for conducting of the e-AGM and providing e-voting facility.



- 
- (11) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  - (12) In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.
  - (13) The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and relevant documents referred to in the Notice or explanatory statement will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an e-mail to [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com) mentioning their Folio No./DP ID and Client ID.
  - (14) The Board of Directors of the Company has appointed Ms. Ashwini Inamdar failing her Mr. Atul Mehta, Partners, M/s Mehta and Mehta, Practicing Company Secretaries, as Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
  - (15) The Scrutinizer, after scrutinizing the votes cast during the meeting and through remote e-voting, will, not later than 2 working days from the conclusion of the Meeting, make a consolidated Scrutinizer's report and submit the same to the CHAIRMAN. The results declared along with the consolidated Scrutinizer's report shall be placed on the website of the Company (i.e. [www.boat-lifestyle.com](http://www.boat-lifestyle.com)) and on the website of NDSL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (16) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. December 23, 2022.
  - (17) Members who would like to express their views or ask questions during the AGM may register themselves at [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com). The Speaker Registration will be open from Tuesday, December 20, 2022 at 9:00 a.m. to Thursday, December 22, 2022 till 5:00 p.m. Only those Members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
  - (18) **Dispatch of AGM Notice alongwith Annual Report through Electronic mode:**  
  
In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Registrar and Transfer Agent/ Depository Participants/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.boat-lifestyle.com.com](http://www.boat-lifestyle.com.com).
  - (19) **Instructions for attending the AGM and e-voting are as follows:**
    1. In view of the General Circular Nos. 20/2020 dated 05.05.2020, General Circular No. 02/2021 dated 13.01.2021, General Circular No. 19/2021 dated 08.12.2021, General Circular No. 21/2021 dated 14.12.2021 and General Circular No. 2/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required

and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at <https://www.boat-lifestyle.com/pages/investor-relations>. The Notice can also be accessed from the websites of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on Tuesday, December 20, 2022 at 9:00 A.M. and ends on Thursday, December 22, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. December 16, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in**



the paid-up equity share capital of the Company as on the cut-off date, being December 16, 2022.

Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, shall be eligible to vote through e-voting system during the AGM.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

## **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

### **Step 1: Access to NSDL e-Voting system**

#### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

The Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> </ol>

	<p>either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="751 898 1265 1200" data-label="Image">  </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> </ol>

	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- How to retrieve your ‘initial password’?
  - If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

- a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

7. Now, you will have to click on “Login” button.
8. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc.

with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [info@mehta-mehta.com](mailto:info@mehta-mehta.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com). The same will be replied by the company suitably.

By Order of the Board  
**For Imagine Marketing Limited**

Place: Mumbai  
Date: November 18, 2022

Mukesh Ranga  
**Company Secretary**  
Membership No.: A30560

**Registered Office:**

Unit No. 204 & 205, 2<sup>nd</sup> floor in Wing-“D” & Wing-“E”,  
Corporate Avenue, Andheri Ghatkopar Link Road,  
Andheri (East), Mumbai-400093, Maharashtra, India  
Tel. No.: +91-22-62102400  
CIN: U52300MH2013PTC249758  
Website: [www.boat-lifestyle.com](http://www.boat-lifestyle.com)  
e-mail: [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com)



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 3:**

The Board in its meeting held on July 05, 2022 approved the appointment of Mr. Sameer Mehta (DIN: 024945481) as Whole Time Director (WTD) for a period of five years from July 05, 2022 to July 04, 2027. Pursuant to Section 196, 197, 203, and Schedule V of the Companies Act, 2013, the appointment of a Whole Time Director, terms and conditions of appointment and remuneration are required to be approved by shareholders at the next general meeting of the Company held after the appointment.

The Board of Directors of the Company recommends the appointment of Mr. Sameer Mehta for a period of five years in accordance with Nomination and Remuneration Policy and Articles of Association of the Company and based on the recommendations of Nomination & Remuneration Committee with effect from July 05, 2022 on such terms and conditions as decided by the Board of Directors of the Company subject to approval of the members.

Details of Mr. Sameer Mehta, pursuant to the provisions of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are provided in the “Annexure” to the Notice.

Mr. Sameer Mehta is not disqualified from being appointed as WTD in terms of section 196 and Schedule V of the Act and other provisions of the act as applicable and has given his consent to act as WTD of the Company.

In the opinion of the Board, Mr. Sameer Mehta possesses appropriate skills, experience & knowledge. Considering his experience and performance, your directors proposed to appoint him as a WTD of the Company as proposed in the resolution set out at Item No. 3 for approval by the members. The profile and specific areas of expertise of Mr. Sameer Mehta are provided as Annexure to this Notice.

No Director, key managerial personnel or their relatives, except Mr. Sameer Ashok Mehta, to whom the resolution relates, are interested or concerned in the resolution.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 3 of the Notice for the approval of the members.

**Item No. 4:**

The Board in its meeting held on July 05, 2022 approved the appointment of Mr. Aman Gupta (DIN: 02249682) as Whole Time Director (WTD) for a period of five years from July 05, 2022 to July 04, 2027. Pursuant to Section 196, 197, 203, and Schedule V of the Companies Act, 2013, the appointment of a Whole Time Director, terms and conditions of appointment and remuneration are required to be approved by shareholders at the next general meeting of the Company held after the appointment.

The Board of Directors of the Company recommends the appointment of Mr. Aman Gupta (DIN: 02249682) for a period of five years in accordance with Nomination and Remuneration Policy and Articles of Association of the Company and based on the recommendations of Nomination & Remuneration Committee with effect from July 05, 2022 on such terms and conditions as decided by the Board of Directors of the Company subject to approval of the members.

Details of Mr. Aman Gupta, pursuant to the provisions of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are provided in the “Annexure” to the Notice.

Mr. Aman Gupta is not disqualified from being appointed as WTD in terms of section 196 and Schedule V of the Act and other provisions of the act as applicable and has given his consent to act as WTD of the Company.

In the opinion of the Board, Mr. Aman Gupta possesses appropriate skills, experience & knowledge. Considering his experience and performance, your directors proposed to appoint him as a WTD of the Company as proposed in the resolution set out at Item No. 4 for approval by the members. The profile and specific areas of expertise of Mr. Aman Gupta are provided as Annexure to this Notice.

No Director, key managerial personnel or their relatives, except Mr. Aman Gupta, to whom the resolution relates, are interested or concerned in the resolution.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 4 of the Notice for the approval of the members.

**Item No. 5:**

The Board in its meeting held on July 05, 2022 approved the appointment of Mr. Vivek Gambhir (DIN: 06527810) as Whole Time Director (WTD) for a period of five years from July 05, 2022 to July 04, 2027. Pursuant to Section 196, 197, 203, and Schedule V of the Companies Act, 2013, the appointment of a Whole Time Director, terms and conditions of appointment and remuneration are required to be approved by shareholders at the next general meeting of the Company held after the appointment.

The Board of Directors of the Company recommends the appointment of Mr. Vivek Gambhir for a period of five years in accordance with Nomination and Remuneration Policy and Articles of Association of the Company and based on the recommendations of Nomination & Remuneration Committee with effect from July 05, 2022 on such terms and conditions as decided by the Board of Directors of the Company subject to approval of the members

Details of Mr. Vivek Gambhir, pursuant to the provisions of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are provided in the “Annexure” to the Notice.

Mr. Vivek Gambhir is not disqualified from being appointed as WTD in terms of section 196 and Schedule V of the Act and other provisions of the act as applicable and has given his consent to act as WTD of the Company.

In the opinion of the Board, Mr. Vivek Gambhir possesses appropriate skills, experience & knowledge. Considering his experience and performance, your directors proposed to appoint him as a WTD of the Company as proposed in the resolution set out at Item No. 5 for approval by the members. The profile and specific areas of expertise of Mr. Vivek Gambhir are provided as Annexure to this Notice

No Director, key managerial personnel or their relatives, except Mr. Vivek Gambhir, to whom the resolution relates, are interested or concerned in the resolution.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 5 of

the Notice for the approval of the members.

**Item No. 6 & 7:**

The Policy on Remuneration of Directors, inter alia, provides for remuneration to Non-Executive Directors by way of monthly payment or at a specified percentage of Net Profits of the Company or partly by one way and partly by the other, to the extent approved by the Members.

In view of the valuable contribution made by the Non-Executive Directors & Independent Directors towards overall engagement with the Company on various policies, strategic and governance related issues, it is proposed to pay commission to the Non-Executive & Independent Directors of the Company.

Members are requested to note that the Board of Directors at its meeting held on November 18, 2022 approved the proposal to pay commission to the Non-Executive & Independent Directors of the Company.

Members are requested to note that in accordance with provisions of the Act including Section 197(4) read with Article of the Articles of Association of the Company, the remuneration payable to Directors of the Company shall be determined by way of an Ordinary Resolution passed by Members of the Company.

The Resolution at item no. 6 is for the payment of commission to the Non-Executive Directors and Independent Directors for the Financial Year ended on March 31, 2022. The payment of commission would be in addition to the sitting fees payable for attending Meetings of the Board and Committees thereof. The amount to be paid as commission to the Non-Executive Directors and Independent Directors shall not exceed, in aggregate, one percent of the net profits of the Company, as computed in the manner referred to in section 198 of the Companies Act, 2013.

The Resolution at Item No. 7 is an enabling resolution seeking approval of Members for payment of commission to Non-Executive Directors and Independent Directors, for a period of five years commencing from the financial year 2022-23 to the financial year 2026-27, within the limits as mentioned therein.

The Board recommends the Ordinary Resolutions set out at Item No. 6 & 7 of the Notice for approval of the Members.

The Non-Executive Directors and Independent Directors of the Company, and their relatives shall be deemed to be concerned or interested in the Ordinary Resolution as set out at Item No. 6 & 7 of the Notice to the extent of commission that may be payable to them from time to time.

None of the other Directors, Key Managerial Personnel of the Company and their respective relatives are, in any way, financially or otherwise, concerned or interested in passing of Resolutions at item no. 6 & 7 of the Notice.

**Item No. 8:**

As per the terms of the Shareholders Agreement dated October 24, 2022 executed amongst the Company, Mr. Sameer Ashok Mehta, Mr. Aman Gupta, Fireside Ventures Investment Fund -I (Scheme of Fireside Venture Investment Trust), South Lake Investment Ltd, Qualcomm Ventures LLC, Malabar India Fund Limited, Malabar Select Fund and Malabar Midcap Fund (“SHA”), the articles of association of the Company (“AOA”) have to be amended to reflect the applicable

provisions of the SHA. Accordingly, the AOA are proposed to be amended and restated in the form set out before the members for their review and the shareholders are now required to approve such amendments.

Members are requested to note that the Board of Directors at its meeting held on November 18, 2022, approved the alteration to the AOA of the Company by adopting a new set of AOA.

In terms of Section 14 of the Companies Act, 2013, any alteration in the AOA of the Company shall require approval of the Members of the Company by way of a Special Resolution.

Accordingly, approval of the Members of the Company is sought in terms of Section 14 of the Companies Act, 2013 for adoption of new set of AOA in substitution, and to the entire exclusion of the existing AOA of the Company.

No Directors or key managerial personnel or their relatives, as per Section 102(1)(a) of the Companies Act, 2013 have any concern or interest in the nature of, financial or otherwise with respect to Agenda Item 8, except to the extent of their shareholding in the Company.

The copy of Memorandum and Articles of Association of the Company will be open for inspection at the registered office of the Company, during business hours on all working days between 11.00 a.m. and 1.00 p.m., from the date of issue of this notice until the date of this AGM.

## **Item No. 9:**

The Employee Stock Option is a useful tool to attract, retain and motivate the best available talent and to reward them for performance. This also provides an opportunity for employees to participate in the growth of the Company, besides creating long-term wealth in their hands. Imagine Employees Stock Option Plan-2019 (ESOP-2019) is drawn in accordance with the provisions of Companies Act, 2013 and other applicable laws. The Scheme has already been approved by the Board of Directors at their Meeting held on October 24, 2019 and by the Shareholders in Extra-Ordinary General Meeting held on November 05, 2019. Members are requested to note that the Board of Directors at its meeting held on November 18, 2022 approved the proposal to extend the ESOP 2019 to the employees of subsidiaries of the Company.

The salient features of the ESOP-2019 and the disclosures required under Rule 12(2) of the Companies (Share Capital and Debentures) Rules, 2014 are as under:

1	The total number of options to be granted	56,18,000 Equity Shares as per the ESOP-2019 pool
2	Identification of classes of employees entitled to participate in the Scheme	Permanent employees and Directors of the Subsidiary Company(ies) / working with respective subsidiary company or on deputation with any other company
3	Appraisal Process for determining the eligibility of Employees to the Scheme	The appraisal process for determining the eligibility of the employees will be decided by the Board / Nomination and Remuneration Committee from time to time.
4	Requirements of vesting and period of vesting	Time based vesting equally over 4 years

5	Maximum period within which the options shall vested	4 Years
6	Exercise price or pricing formula for arriving at the same	As per the valuation report
7	Exercise period and process of exercise	As per the ESOP 2019 scheme
8	The specified time period within which the employee shall exercise the vested option in the event of termination of employment or resignation of employee:	As per the ESOP 2019 scheme
9	Maximum number of options to be issued per Employee and in aggregate	The number of Options that may be granted to any specific employee of the Company or of its subsidiary company under the Plan, in any financial year and in aggregate under the ESOP 2019 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.
10	Lock in period	Not applicable
11	Method of Valuation	Black Scholes Method for valuing options
12	Condition under which Option may lapse e.g. in case of termination of employment for misconduct;	As per the ESOP 2019 scheme
14	A statement to the effect that the company shall comply with the applicable accounting standards.	The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.
15	The variation in the Scheme, rationale behind the proposed variation in the Scheme and the details of the employees who are beneficiaries of such variation.	The ESOP-2019 scheme is similar to all the employees of the Company and there is no Variation in the Scheme
16	Other terms	As per the ESOP 2019 scheme

A copy of “Imagine Employees Stock Option Plan-2019” would also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM at the registered office of the Company.

Your directors recommend the resolution as set out under Item Number 9 to this Notice for your approval by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolutions, except to the extent of Equity Shares they may be offered to them under ESOP-2019

## **Item No. 10**

The Company has formulated “IMAGINE MANAGEMENT STOCK OPTION PLAN – 2021” (ESOP-2021). The ESOP-2021 was approved by the Board of Directors in their meeting held on 25<sup>th</sup> March, 2021 and by the Shareholders in their EGM held on March 25, 2021 respectively.

The Board of Directors in their meeting held on April 13, 2021 had approved grant of ESOPs to Mr. Vivek Gambhir, CEO of the Company which were more than 1% of the issued capital (excluding outstanding warrants, equity linked instrument and conversions) of the Company.

Since ESOP-2021 was made for the Chief Executive Officer therefore all the options till date under this scheme have been granted to him only.

Members are requested to note that the Board of Directors at its meeting held on November 18, 2022 approved grant of ESOPs to Mr. Vivek Gambhir, CEO of the Company which were more than 1% of the issued capital.

A copy of “Imagine Management Stock Option Plan – 2021” (ESOP-2021) would also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM at the registered office of the Company.

The salient features of the Imagine Management Stock Option Plan – 2021” (ESOP-2021). The ESOP-2021 and the disclosures required under Rule 12(2) of the Companies (Share Capital and Debentures) Rules, 2014 are as under:

1	The total number of options to be granted	54,98,000 Equity Shares as per the ESOP-2021 pool
2	Identification of classes of employees entitled to participate in the Scheme	Senior Management Employees are entitled to participant in the Scheme
3	Appraisal Process for determining the eligibility of Employees to the Scheme	The appraisal process for determining the eligibility of the employees of the senior management will be decided by the Board / Nomination and Remuneration Committee from time to time.
4	Requirements of vesting and period of vesting	4 years
5	Maximum period within which the options shall vested	Time based and Performance based vesting equally over 4 years
6	Exercise price or pricing formula for arriving at the same	As per the valuation report
7	Exercise period and process of exercise	As per the ESOP- 2021 scheme
8	The specified time period within which the employee shall exercise the vested option in the event of termination of employment or resignation of employee:	As per the ESOP- 2021 scheme
9	Maximum number of options to be issued per Employee and in aggregate	54,98,000 Options
10	Lock in period	Not applicable



11	Method of Valuation	Black Scholes Method for valuing options
12	Condition under which Option may lapse e.g. in case of termination of employment for misconduct;	As per the ESOP 2021 scheme
14	A statement to the effect that the company shall comply with the applicable accounting standards.	The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.
15	The variation in the Scheme, rationale behind the proposed variation in the Scheme and the details of the employees who are beneficiaries of such variation.	The ESOP-2021 scheme is made only for the Senior Management employees of the Company.
16	Other terms	As per the ESOP 2019 scheme

A copy of “Imagine Management Stock Option Plan – 2021” would also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM at the registered office of the Company.

The Board of Directors of the Company recommend to approve the agenda set out in Item Number 10 to this Notice by way of a Special Resolution. Except Mr. Vivek Gambhir, none of the Directors, Key managerial Personnel of the Company and their relatives are concerned or interested in the said resolution except to the extent of equity shares held by them in the Company.

**Details of Director retiring by rotation seeking appointment/ re-appointment at the Annual General Meeting: [Pursuant to Secretarial Standards - 2 on General Meetings]**

<b>Name of the Director</b>	<b>Sameer Mehta</b>
<b>DIN</b>	02945481
<b>Father's name</b>	Mr. Ashok Mehta
<b>Date of Birth</b>	November 29, 1976
<b>Age</b>	46 Years
<b>Present residential address</b>	A-2301, Omkar 1973, Pandurang Bhudkar Marg, Near Shani Mandir, Neelam Centre, Worli, Mumbai -400030
<b>Qualification</b>	B.Com.
<b>Experience/expertise in specific functional areas</b>	He is founder and Promoter Director of the Company. He has deep domain expertise in product development, an impressive track record and has demonstrated an ability to successfully create, build and grow the business. He is Chief Product Officer of the Company.



<b>Terms and conditions of appointment</b>	In terms of Section 152(6) of the Companies Act, 2013, Mr. Sameer Mehta, promoter of the Company and who was appointed as Executive Director, is liable to retire by rotation.
<b>Details of remuneration sought to be paid</b>	Rs. 2.50 Crores
<b>Remuneration last drawn</b>	Rs. 2.50 Crores
<b>Date of first appointment on the Board</b>	01/11/2013
<b>Shareholding in the Company</b>	3,83,70,000 Equity Shares of the Company (26.20%)
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b>	Nil
<b>Number of Meetings of the Board attended during the year</b>	11 out of 12 meetings
<b>Directorship in other Companies</b>	3
<b>Membership/Chairmanship of the committees of other Companies (consists membership/chairmanship of Audit Committee, Nomination and Remuneration Committee &amp; Stakeholders' Relationship Committee)</b>	Nil

**Details of Directors seeking appointment at the Annual General Meeting: [Pursuant to Secretarial Standards - 2 on General Meetings]**

<b>Particulars</b>	<b>Mr. Sameer Mehta</b>	<b>Mr. Aman Gupta</b>	<b>Mr. Vivek Gambhir</b>
<b>DIN</b>	02945481	02249682	06527810
<b>Father's name</b>	Mr. Ashok Mehta	Mr. Neeraj Kumar Gupta	Mr. Madan Mohan Gambhir
<b>Date of Birth</b>	29/11/1976	03/03/1981	27/11/1968
<b>Age</b>	46 Years	40 Years	54 Years
<b>Present residential address</b>	A-2301, Omkar 1973, Pandurang Bhudkar Marg, Near Shani Mandir, Neelam Centre, Worli, Mumbai - 400030	R-21, Huaz Khas Enclave, New Delhi-, 110016	House No. D-84, Malcha Marg, Chanakya Puri, New Delhi, Delhi, 110 021, India
<b>Qualification</b>	B.Com.	Chartered Accountant, Post-Graduate degree in management from Indian	Bachelor's degree in science (computer science) and bachelor's degree in arts (economics and

		School of Business, Hyderabad	business) from Lafayette College, Easton, Pennsylvania  Master's degree in business administration from Harvard Business School, Boston, Massachusetts
<b>Experience/ expertise in specific functional areas</b>	He is founder and Promoter Director of the Company. He has deep domain expertise in product development, an impressive track record and has demonstrated an ability to successfully create, build and grow the business. He is Chief Product Officer of the Company.	He is founder and Promoter Director of the Company. He has deep domain expertise in marketing and branding, an impressive track record and has demonstrated an ability to successfully create, build and grow the business. He is Chief Marketing Officer of the Company.	He is having 28 years of vast professional experience in industry and has significant experience in building consumer brands with value
<b>Terms and conditions of appointment</b>	Appointment as whole-time director for the period of five years as per the terms and conditions set out in the notice.	Appointment as whole-time director for the period of five years as per the terms and conditions set out in the notice.	Appointment as whole-time director for the period of five years as per the terms and conditions set out in the notice.
<b>Details of remuneration sought to be paid</b>	INR 2.50 Crore per annum	INR 2.50 Crore per annum.	INR 3.00 Crore per annum
<b>Remuneration last drawn</b>	INR 2.50 Crore p.a.	INR Rs. 2.50 Crore per annum	INR 3.00 Crore per annum.
<b>Date of first appointment on the Board</b>	01/11/2013	01/11/2013	13/04/2021
<b>Shareholding in the Company</b>	3,83,70,000 Equity Shares face value of INR 1/- each	3,83,70,000 Equity Shares face value of INR 1/- each	Nil
<b>Relationship with other Directors, Manager and other Key</b>	Nil	Nil	NA

<b>Managerial Personnel of the Company</b>			
<b>Number of Meetings of the Board attended during the year</b>	11 out of 12 meetings	12 out of 12 meetings	10 out of 12 meetings
<b>Directorship in other Companies</b>	3	2	5
<b>Membership/Chairmanship of the committees of other Companies (consists of membership/chairmanship of Audit Committee, Nomination and Remuneration Committee &amp; Stakeholders' Relationship Committee)</b>	Nil	Nil	<b>Metropolis Healthcare Limited</b> <ul style="list-style-type: none"> <li>• Audit Committee (Member)</li> <li>• Nomination Remuneration Committee- (Chairman)</li> <li>• Stakeholders Relationship Committee (Member)</li> </ul>

By Order of the Board  
**For Imagine Marketing Limited**

Place: Mumbai

Date: November 18, 2022

Mukesh Ranga  
**Company Secretary**  
Membership No.: A30560

**Registered Office:**

Unit No. 204 & 205, 2<sup>nd</sup> floor in Wing-“D” & Wing-“E”,  
Corporate Avenue, Andheri Ghatkopar Link Road,  
Andheri (East), Mumbai-400093, Maharashtra, India  
Tel. No.: +91-22-62102400  
CIN: U52300MH2013PTC249758  
Website: [www.boat-lifestyle.com](http://www.boat-lifestyle.com)  
e-mail: [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com)

## DIRECTORS' REPORT

To,  
The Members of,  
Imagine Marketing Limited  
CIN: U52300MH2013PLC249758

Your Directors have pleasure in presenting their 9<sup>th</sup> Annual Report on the business and operations of Imagine Marketing Limited ("**the Company**") along with the audited standalone and consolidated financial statements for the financial year ended March 31, 2022.

### 1. Financial Performance

The standalone and consolidated financial performance highlights of the Company are as under:

PARTICULARS	Standalone		Consolidated	
	For the financial year ended 31.03.2022	For the financial year ended 31.03.2021	For the financial year ended 31.03.2022	For the financial year ended 31.03.2021
Total Income	28,864.08	13,203.75	28,864.38	13,293.75
Total Expenditure	27,773.66	12,028.23	27,869.89	12,021.56
Profit/ Loss Before Tax	1,090.42	1,175.52	987.50	1,182.19
Less: Current Tax	306.88	327.33	305.85	327.33
Deferred Tax	(4.66)	(10.51)	(5.37)	(10.51)
Profit for the year	788.20	8 58.70	687.04	865.37
EPS Basic	5.85	8.46	5.10	8.53
EPS Diluted	5.84	7 .91	5.09	7.97

*\*Previous year financial statements are re-stated from IGAAP to INDAS.*

### 2. ACCOUNTING STANDARDS

The financial statements of your Company for the year ended 31 March 2022 has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable. These are the Company's first Financial Statements prepared in accordance with Ind AS. The financial statements for the year ended 31 March 2021, were prepared in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP'). As mandated by the Ind AS disclosure requirements, impact of Ind AS on each of the components of the Balance Sheet and the Statement of Profit & Loss has been elaborated in Notes to Accounts of the standalone financial statements and consolidated financial statements respectively.

During the year under review, no revision was made in the previous financial statements of the Company.

### **3. DIVIDEND AND RESERVES**

The Board of Directors of the Company have not recommended any dividend on the Preference shares and Equity shares for the financial year under review.

### **3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no unpaid dividend lying with the Company.

### **4. STATE OF COMPANY'S AFFAIRS AND REVIEW OF BUSINESS OPERATIONS**

#### **(i) Industry overview**

India is one of the fastest growing large economies in the world. India's Real GDP grew at an average annual growth rate of approximately 7% between 2015 to 2019. This promising growth was, however, impacted during the onset of the COVID-19 pandemic in 2020.

Due to relaxation of lockdown measures and increasing vaccinations, India is projected to recover from the economic decline as its Real GDP is projected to grow at 9.5% in 2021. This fast-paced recovery exceeds the projected growth rates for China and US. Thereafter, the IMF forecasts a stabilized growth rate of 8.4% between 2021 and 2025, for the Indian GDP, at current prices, to reach approximately ₹306 trillion (approximately USD 4.1 trillion) by 2025. At this pace, India is projected to become the third largest economy in the world by 2030, according to the Centre for Economics and Business Research.

#### **(ii) Regulatory Reforms**

Policies such as Atmanirbhar Bharat Abhiyan and Make-in-India initiatives became foundational in shaping India as an efficient, equitable and resilient manufacturing hub that promotes investment, enhances skill development, encourages innovation, and protects intellectual property.

An outlay of ₹1,970 billion was announced by the government for the Production Linked Incentive (PLI) scheme across 13 key sectors, including manufacturing of electronics, medical devices, automobiles and auto components among others, to develop manufacturing infrastructure in competing with global markets and to generate employment opportunities. The scheme extended incentives on incremental sales from products manufactured in domestic production units. As supply chain uncertainties intensifies during the COVID-19 pandemic, localized production increasingly gained popularity under this scheme across sectors.

The government promotes a robust start-up ecosystem in India with its flagship program, the Startup India initiative. Startup India supports local startups by providing income tax exemptions, Department for Promotion of Industry and Internal Trade (DPIIT) recognition and financial assistance through Startup India Seed Fund Scheme, Small Industries Development Bank of India (SIDBI) Fund of Funds scheme. The government has introduced a policy framework to improve manufacturing infrastructure and to promote entrepreneurial pursuits is projected to create positive traction for overall economic growth.

**(iii) India Retail Market**

India's retail market grew at a CAGR of 11% between 2016-2019 to approximately ₹68 trillion in 2019. The increase in consumption and income level, growth of emerging households and increasing demand from Tier 2+markets led to the soaring growth of the retail market. However, the market was significantly impacted due to COVID-19 pandemic. The first wave of COVID-19 pandemic disrupted supply chains and affected demand, especially for non-essential and discretionary products and services. Owing to the effects of the pandemic, the market declined by 14% in 2020 to approximately ₹59 trillion. The impact of the second and subsequent COVID-19 waves on the retail market has been and is projected to continue to be relatively low owing to the better preparedness of administration, businesses, and consumers. As India adapts to the new normal by rolling out vaccinations and precautionary procedures, the retail market is projected to bounce back with a growth rate of 11% to approximately ₹98 trillion by 2025.

**(iv) India Hearables Market**

The hearables market comprises wired earphones and headphones, wireless earphones and headphones and truly wireless earphones. It has grown from approximately ₹99 billion (approximately USD 1.3 billion) in 2018 to approximately ₹170 billion (approximately USD 2.3 billion) in 2020, at a CAGR of approximately 31%. However, when compared to the US (USD 16-19 billion) and South-East Asia region (SEA) (USD 3-5 billion), it shows significant room for growth. The wired earphones in US, Europe, the Middle East and Africa (EMEA) make up 2-5% of the total hearables market by value whereas the wired headphones in India and SEA make up 49% and 50% of the total hearables market by value respectively. Wired earphones are accessible for a large share of the population as they are sold at the lowest price point as compared to other items in the hearables category. Modern day hearables such as wireless and truly wireless earphones dominate the hearables market in geographies such as the US and EMEA. This indicates the potential of the Indian hearables market and room for further growth. As a result of technological improvement, new and advanced products are manufactured with higher consistency and quality with affordable price range.

Hearables are expected to grow at a 25-35% CAGR in the next 5 years and is projected to reach ₹515-765 billion (USD 7-10 billion) by 2025.

**(v) Indian Wearables Market**

The wearables market comprises of activity bands and smartwatches. It has grown from approximately ₹16 billion (approximately USD 0.2 billion) in 2018 to approximately ₹32 billion (approximately USD 0.4 Billion) in 2020, at a CAGR of approximately 39%. The US (USD 12-15 Billion) and SEA (USD 1-3 Billion), have relatively more evolved markets. The sales volume penetration of wearables in India was approximately 2% indicating massive headroom for growth in the future. Smartwatches constitute around 76% of the Indian wearables market, while in other geographies they constitute much larger shares (approximately 95% in the US and approximately 81% in the MEA region). Activity bands still hold a 24% share in India although users are increasing transitioning towards advanced smartwatches. This would further be boosted as technological improvements in the wearables market reduce costs and prices causing the market to shift towards advanced product categories, offering better quality and consistency. In addition to the positive implication on category growth, these shifts are also likely to make these categories inherently more attractive from a brand perspective as they will increase the barriers to entry and make product differentiation clearer as products move up the technical ladder, hence benefitting the established category players with strong brands and leading market positions.

The wearables market in India is projected to grow at a high CAGR of 40-55% in the next 5 years and reach a size of ₹170-275 billion (USD 2-4 billion) by 2025.

**(vi) Business Overview**

Your company is a digital-first consumer products company has an attractive offering of wide-ranging, high-quality, and aspirational lifestyle-focused consumer products at accessible price points under the flagship brand “boAt” in the wireless hearables and smartwatch segment. Your Company has established leading market positions in terms of volume and value in India across multiple, high-growth consumer categories such as audio and smartwatch. In addition to our flagship “boAt” brand, your company operate “RedGear”, one of the leading brands in the gaming headsets and controllers (keyboard, mouse, mouse pad, joystick), “TAGG”, a premium audio and wearables brand, “Misfit”, a personal care and grooming sub-brand, and “DEFY”, a value-oriented audio brand.

Your Company, along with developing and growing its product portfolio, has also expanded its presence across online and offline channels to widen distribution footprint. As a digital-first consumer products company, you company has scaled its business by selling products predominantly through established online marketplaces and continue to expand its online presence through additional online marketplaces and its own website. Your Company also recognize the significant opportunity in offline channels within its product categories, both in terms of sales as well as branding benefits aiming to significantly expand its footprint to the offline channel through omni-channel and offline retailers and distributors.

During the Financial year 2021-22 your company were ranked #1 in India among the wireless hearables brands by value and volume and ranked #2 among smartwatch brands in India in terms of volume, our market share in both wireless hearables and smartwatch segments has been consistently increased over time.

As on March 31, 2022 the standalone Revenue from Operations stood at Rs. 28,729.01 Mn. as compared to Rs. 13,138.03 Mn. in the previous year March 31, 2021 registering a significant Increase of 119%. The Company delivered standalone EBITDA of Rs 1,489.12 Mn. for the FY 2021-22 against Rs. 1,024.76 Mn. for the corresponding FY 2020-21. The net profit for the financial year 2021-22 is Rs. 788.20 Mn. as compared to Rs. 858.70 Mn. in the corresponding financial year.

At consolidated level, your Company reported a revenue of Rs. 28,864.38.13 Mn. for the Financial Year ended March 31, 2022 as compared to Rs. 13,203.75 Mn. in the previous year ended March 31, 2021.. The Profit for the year is Rs. 987.50 Mn. as compared to Rs. 1,182.19 for the corresponding FY 2020-21.

In continuation of the strategy to focus on consumer lifestyle products, your Company will continue to explore trade opportunities in the Indian economy at global. Your Directors are optimistic about the performance for the year 2022-2023.

**5. CHANGE IN NATURE OF BUSINESS**

During the year under review, there is no change in the nature of the business of the Company.



**6. MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT AFTER THE BALANCE SHEET DATE**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this report.

**7. CHANGE OF NAME OF THE COMPANY FROM “IMAGINE MARKETING PRIVATE LIMITED” TO “IMAGINE MARKETING LIMITED”**

During the year under review, the shareholders of the Company, in the extraordinary general meeting held on January 18, 2022, had given their approval for conversion of the Company from Private Limited to Public Limited. The Registrar of Companies, Mumbai has approved the change of name from “Imagine Marketing Private Limited” to “Imagine Marketing Limited” vide Certificate of incorporation issued with effect from January 22, 2022.

**8. FILING OF DRAFT RED HERRING PROSPECTUS**

The Board of Directors and Shareholders of the Company, vide their resolution passed on January 25, 2022 in their respective meeting, approved the initial public offer of equity shares of the Company. Further subsequent to such approval, the Company has filed the Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) on April 28, 2021.

The Company, on March 17, 2022, has duly received In-principal approval from BSE Limited and National Stock Exchange of India Limited for the proposed initial public offer of equity shares of the Company.

**9. CAPITAL STRUCTURE OF THE COMPANY:**

**(i) Authorised Share Capital:**

As on March 31, 2022, the authorised share capital of your Company stood at Rs. 26,53,94,000/- (Indian Rupees Twenty-Six Crores Fifty-Three Lakhs Ninety-Four Thousand only) divided into 14,64,68,000 (Fourteen Crore Sixty Four Lakhs Sixty Eight Thousand) Equity Shares of INR 1/- (Indian Rupee One) each; 1,62,709 (One Lakh Sixty Two Thousand Seven Hundred and Nine) Series A Compulsorily Convertible Preference Shares ("CCPS") of INR 10/- (Indian Rupees Ten only) each, 3,47,600 (Three Lakh Forty Seven Thousand Six Hundred) Series A1 Compulsorily Convertible Preference Shares ("CCPS") of INR 10/- (Indian Rupees Ten only) each, 24,891 (Twenty Four Thousand Eight Hundred and Ninety One) Compulsory convertible Preference Shares of INR 10/- (Indian Rupees Ten only) each, 17,158 (Seventeen Thousand One Hundred and Fifty Eight) Series B Compulsorily Convertible Preference Shares ("CCPS") of INR 6000/- (Indian Rupees Six Thousand only) each and 1771 (One Thousand Seven Hundred Seventy One) Series B1 Compulsorily Convertible Preference Shares ("CCPS") of INR 6000/- (Indian Rupees Six Thousand only) each.

**Changes in Authorised Share Capital**

During the year under review, the authorized share capital was changed in the following manner:

Sr. No.	Date of Shareholders approval	Particulars of changes
1	April 10, 2021	Clause V of the Memorandum of Association was amended to reflect reclassification of the authorised share capital of the Company from ₹265,394,000/- divided into 14,509,400 equity shares of ₹10/- each, 3,371 Series A Compulsory convertible Preference Shares of ₹10/- each, 1,738 Series A1 Compulsory convertible Preference Shares of ₹10/- each, 24,891 Compulsory convertible preference shares of ₹10/- each and 20,000 Series B Compulsory convertible Preference Shares of ₹6,000/- each to ₹265,394,000/- divided into 14,509,400 equity shares of ₹10/- each, 3,371 Series A Compulsory convertible Preference Shares of ₹10/- each, 1,738 Series A1 Compulsory convertible Preference Shares of ₹10/- each, 24,891 Compulsory convertible preference shares of ₹10/- each, 18,000 Series B Compulsory convertible Preference Shares of ₹6,000/- each and 2,000 Series B1 Compulsory convertible Preference Shares of ₹6,000/- each
2	May 13, 2021	Clause V of the Memorandum of Association was amended to reflect reclassification of the authorised share capital of the Company from ₹265,394,000 divided into 14,509,400 equity shares of ₹10/- each, 3,371 Series A Compulsory convertible Preference Shares of ₹10/- each, 1,738 Series A1 Compulsory convertible Preference Shares of ₹10/- each, 24,891 Compulsory convertible preference shares of ₹10/- each, 18,000 Series B Compulsory convertible Preference Shares of ₹6,000/- each and 2,000 Series B1 Compulsory convertible Preference Shares of ₹6,000/- each to ₹265,394,000 divided into 14,646,800 equity shares of ₹10/- each, 162,709 Series A Compulsory convertible Preference Shares of ₹10/- each, 347,600 Series A1 Compulsory convertible Preference Shares of ₹10/- each, 24,891 Compulsory convertible preference shares of ₹10/- each, 17,158 Series B Compulsory convertible Preference Shares of ₹6,000/- each and 1,771 Series B1 Compulsory convertible Preference Shares of ₹6,000/- each
3	December 15, 2021	Clause V of our Memorandum of Association was amended to reflect the sub-division of the face value of the equity shares of the Company, from 14,646,800 equity shares of ₹10/- each to 146,468,000 equity shares of ₹1/- each

**(ii) Paid-up Share Capital**

As on March 31, 2022, the paid-up share capital of your Company stood at Rs. 20,47,44,300/- (Indian Rupees Twenty Crore Forty-Seven Lacs Forty Four Thousand Three Hundred only) divided into 9,60,30,300 Equity Shares face value of INR 1/- each and 1,62,400 Series A Compulsory Convertible Preference Shares (CCPS) face value of INR 10/- each, 347600 Series A1 CCPS face value of INR 10/- each, 15,507 Series B CCPS face value of INR 6000/- each, and 1762 Series B1 CCPS face Value of Rs. 6000/- each.

**Changes in Paid-up Share Capital**

During the year under review, the Company's Paid-up share Capital increased/ changed in the following manner:

**A. Equity Shares:**

(amount in INR)

Sr. No.	Date of Allotment	Name of the allottees	No. of Equity Shares allotted	Face value per Share	Issue price per share	Total consideration	Method of allotment
1.	May 13, 2021	South Lake Investment Limited	2,559	10/-	10/-	NA	Conversion of Series-A Compulsory Convertible Preference Shares (CCPS) into Equity Shares in the ratio of 1:1
2.	May 26, 2021	(i) Mr. Sameer Mehta (ii) Mr. Aman Gupta (iii) South Lake Investment Limited	94,77,375	10/-	NA	NA	Bonus issue of Equity shares to the existing shareholders in the ratio of 1:199.
Pursuant to the resolutions passed by the Board of Directors and Shareholders respectively on December 15, 2021, the face value of the equity shares was sub-divided from INR 10/- per equity share to INR 1/- per equity share. Accordingly, the issued, subscribed and paid-up equity share capital of your Company being 9,525,000 equity shares of INR 10/- each were sub-divided into 95,250,000 equity shares of INR 1/- each.							
3.	December 28, 2021	Mr. Sushant Dalmia	1,02,000	1/-	30.267	30,87,234/-	Exercise of stock Options pursuant to Employees Stock Option Plan-2019 (Imagine ESOP 2019)
4.	January 13, 2022	InnoVen Capital India Private Limited	4,63,500	1/-	42.15	2,00,00,025/-	On the Private Placement cum Preferential basis
5.	March 23, 2022	44 Employees of the Company	2,14,800	1/-	30.267	65,01,352/-	Exercise of stock Options pursuant to Employees Stock Option Plan-2019 (Imagine ESOP 2019)

**B. Compulsory Convertible Preference Shares (CCPS):**

(amount in INR)

Sr. No.	Date of Allotment	Name of the allottees	No. of Securities allotted	Face value per share	Issue price per share	Total consideration	Method of allotment
<b>Series A CCPS</b>							
1	May 26, 2021	Fireside Ventures Investment Fund-I	1,61,588	10/-	10/-	NA	Bonus issue of Series A CCPS to the existing shareholders in the ratio of 1:199.
<b>Series A1 CCPS</b>							
2	May 26, 2021	Fireside Ventures Investment Fund-I	3,45,862	10/-	NA	NA	Bonus issue of Series A1 CCPS to the existing shareholders in the ratio of 1:199.
<b>Series B1 CCPS</b>							
1	April 20, 2021	Qualcomm Ventures LLC	1762	6000/-	2,83,749/-	49,99,65,738/-	Issue of Series B1 CCPS on Private Placement basis

\* During the year, there is no change in terms of paid-up capital in Series B CCPS.

**10. EMPLOYEES' STOCK OPTION PLAN**

The Company has two Employees Stock Plans i.e. (i) Employees Stock Option Plan -2019 and (ii) Employees Stock Option Plan-2021.

The details regarding issue of employee stock options under the Employees Stock Option Plan-2019 (ESOP-2019) and Employees Stock Option Plan-2021 (ESOP-2021) required to be furnished as per the provisions of Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 are as under:

Particulars		ESOP-2019	ESOP-2021
Total Number of options outstanding under the pool of respective scheme	:	41,38,000	54,98,000
Options granted during the year	:	24,25,150	54,98,000
Option Vested as on March 31, 2022	:	3,70,000	13,74,500
Option exercised during the year	:	3,16,800	-
The total number of shares arising as result of exercise of option	:	3,16,800	-
Options lapsed during the year	:	4,52,000	-

The exercise price per option	:	The range of exercise price for options outstanding at the end of the year was INR 30.267 to INR 141.88	INR 141.88
Vesting Period of Options	:	1 Year to 4 Years	4 Years
Variation of term of option	:	-	-
Money realized by exercise of options	:	INR 95,88,586/-	-
Total number of options in force	:	21,64,850	54,98,000

During the year under review, given below are the employee wise details of option granted to:

(i) Key Managerial Personnel (“KMPs”):

Particulars of ESOP Schemes	Name of KMPs	No of options granted	No. of Options outstanding
ESOP-2019	(i) Mr. Ankur Sharma, CFO	2,20,000	2,20,000
	(ii) Ms. Dhara Joshi, CS	6000	6000
ESOP-2021	(i) Mr. Vivek Gambhir, CEO	54,98,000	54,98,000

(ii) Any other employee who receives a grant of option in any one year of options amounting to five percent or more of total options granted during that year

Particulars of ESOP Schemes	Relevant Financial Year	Name of KMPs	No of options granted	No. of Options outstanding
ESOP-2019	Financial Year 2021-22	(i) Mr. Prashant Kamal	2,00,000	2,00,000
		(ii) Mr. Shashwat Singh	1,70,000	1,70,000
	Financial Year 2020-21	(iii) Mr. Jignesh Rambhia	2,00,000	2,00,000
		(iv) Mr. Daman Soni	3,00,000	-
	Financial Year 2019-20	(v) Mr. Sushant Dalmia	2,04,000	-
		(vi) Mr. Ankush Guglani	60,000	60,000
ESOP-2021	Nil	Nil	Nil	Nil

(vii) Identified employees, who were granted options during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: **Nil**

Further details for employee stock options plans forms part of the notes to accounts of the financial statements.

## **11. DETAILS OF SUBSIDIARIES, JOINT VENTURES (JV) OR ASSOCIATE COMPANIES**

Your Company has following subsidiaries and associate companies under its fold. The operating and financial performance of the subsidiary and associate companies has been covered in the AOC-1 forming part of the financial statements.

Sr. No.	Name of the Company	Subsidiary/ Associate Company/JV
1	Dive Marketing Private Limited <sup>1</sup>	Wholly Owned Subsidiary
2	Imagine Marketing Singapore Pte Limited <sup>2</sup>	Wholly Owned Subsidiary
3	HOB Ventures Private Limited <sup>3</sup>	Wholly Owned Subsidiary
4.	KaHa Technologies Private Limited <sup>4</sup>	Wholly Owned Subsidiary
5.	KaHa Singapore Pte Limited <sup>5</sup>	Wholly Owned Subsidiary
5.	Sirena Labs Private Limited	Associate Company
6.	Kimirica Lifestyle Private Limited <sup>6</sup>	Associate Company

1. Incorporated as wholly owned subsidiary (WOS) w.e.f. June 03, 2021 in India
2. Incorporated as WOS w.e.f. November 29, 2021 in Singapore
3. Incorporated as WOS w.e.f. December 31, 2021 in India
4. Acquired from KAHA Singapore Pte. Ltd. w.e.f. February 1, 2022
5. KAHA Singapore Pte. Ltd. is a wholly owned subsidiary of Imagine Marketing Singapore Limited (wholly owned subsidiary of the Company) w.e.f. February 09, 2022.
6. The Company has acquired 33.33% shares through HOB Ventures Private Limited (Wholly owned Subsidiary ) of Kimirica Lifestyle Private Limited w.e.f. February 23, 2022

### **Acquisition:**

On January 06, 2022, the Company, along with Imagine Marketing Singapore Pte Ltd., has entered into Share Purchase agreement to purchase all the outstanding shares of Kaha Singapore Pte. Ltd. (Kaha Singapore) and its subsidiary Kaha Technologies Private Limited (Kaha India).

The Company has acquired the entire shareholding of Kaha India which has become a wholly owned subsidiary of the Company w.e.f. February 01, 2022.

During the year, the Company, through Imagine Marketing Singapore Pte. Ltd. wholly owned subsidiary, has acquired the shareholding of Kaha Singapore and consequent to this, Kaha Singapore has become a step-down wholly owned subsidiary of the Company. Further, Kaha Singapore has a subsidiary, Kaha Technology (Shenzhen) Co. Ltd., China which has also become a step down wholly owned subsidiary of the Company.

### **Joint Venture:**

Your Company, on January 17, 2022, has entered into Joint Venture (JV) Agreement with Dixon Technologies (India) Limited to incorporate a 50:50 Joint Venture Company to execute its 'Make in India' strategy. Pursuant to the aforesaid JV agreement, on April 27, 2022, Califonix Tech and Manufacturing India Private Limited was incorporated as a JV Company.

## **12. DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) & COMMITTEES OF THE BOARD:**

The Board of Directors, along with the Committees of the Board, provides leadership and guidance to the Company's Management and directs, supervises, and controls the activities of the Company. The Board meets at regular intervals to discuss and decide on Company / business policy and strategy, apart from other Board business. The Board exhibits strong operational oversight with regular business presentations of meetings.



**i. Directors**

As on March 31, 2022, the Board comprises of the following Directors:

Sr. No.	Name of the Directors	Designation
1.	Mr. Aman Gupta	Whole-Time Directors
2.	Mr. Sameer Mehta	Whole-Time Directors
3.	Mr. Vivek Gambhir <sup>1</sup>	Whole-Time Directors
4.	Mr. Anish Saraf	Non-Executive Director
5.	Mr. Aashish Kamat <sup>2</sup>	Independent Directors
6.	Mr. Anand Ramamoorthy <sup>2</sup>	Independent Directors
7.	Mrs. Purvi Sheth <sup>2</sup>	Independent Directors
8.	Mr. Deven Waghani <sup>3</sup>	Independent Directors

1. Appointed as Executive Director w.e.f. April 20, 2021

2. Appointed as Independent Directors w.e.f. November 12, 2021

3. Appointed as Independent Director w.e.f. December 15, 2021

In the opinion of the Board, all the Independent Directors of the Company possess requisite expertise, integrity and experience.

During the year, Mr. Kanwaljit Singh resigned as Non-Executive Director w.e.f. January 08, 2022 and Mr. Vikram Chogle has resigned as Non-Executive Director w.e.f. January 19, 2022. The Board placed on record its sincere appreciation for the valuable guidance and support during their tenure.

The Board composition of your Company is in compliance with the requirements of the Companies Act, 2013 ("the Act"). The Board is of the opinion that the Independent Directors of the Company has the required integrity, expertise, and experience (including the proficiency).

**ii. Director Liable for Retire by Rotation**

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sameer Mehta (DIN: 024945481), Director of the Company, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for reappointment. Your Directors recommend his reappointment.

**iii. Meetings of the Board:**

During the year under review, 12 (Twelve) Board meetings were duly convened and held on April 13, 2021, April 20, 2021, May 13, 2021, August 19, 2021, September 16, 2021, October 25, 2021, November 3, 2021, November 12, 2021, December 15, 2021, January 18, 2022, January 25, 2022 (at 9.00 a.m.) and January 25, 2022 (at 9.00 p.m.).

**iv. Key Managerial Personnel**

As on March 31, 2022 the following were the Key Managerial Personnel (KMPs) of the Company in accordance with provisions of Section 203 of the Companies Act, 2013:

- (i) Mr. Vivek Gambhir, Chief Executive Officer (CEO)
- (ii) Mr. Ankur Sharma, Chief Financial Officer (CFO) and
- (iii) Ms. Ms. Dhara Joshi - Company Secretary (CS)

During the year under review, Mr. Sushant Dalmia has resigned as CFO w.e.f. September 09, 2021 and Mr. Ankur Sharma was appointed as CFO w.e.f. December 15, 2021.

Ms. Dhara Joshi has resigned as CS w.e.f. May 05, 2022 and Mr. Mukesh Ranga has been appointed as CS w.e.f. May 05, 2022.

**v. Board Committees:**

In terms of applicable provisions of the Companies Act, 2013, the Board has constituted/ re-constituted the following committees. Details of composition and meeting of the various committees of the Board is given below:

**(a) Audit Committee**

Pursuant to the provisions of Section 177 of the Companies Act, 2013, the Board of Directors, on January 18, 2022, has constituted the Audit Committee. The following are the members of the Committee as at the end of the financial year:

Sr. No.	Name of the Directors	Designation
1.	Mr. Aashish Kamat	Chairman
2.	Mr. Anand Ramamoorthy	Member
3.	Mr. Anish Saraf	Member

The Audit Committee met once time during the FY2021-22 on January 25, 2022. All the recommendations made by the Audit Committee were accepted by the Board.

**(b) Nomination and Remuneration Committee (NRC)**

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Board of Directors, on January 18, 2022, has constituted the Nomination and Remuneration Committee. The following are the members of the NRC as at the end of the financial year:

Sr. No.	Name of the Directors	Designation
1	Ms. Purvi Sheth	Chairperson
2	Mr. Anand Ramamoorthy	Member
3	Mr. Anish Saraf	Member

The Nomination and Remuneration Committee met once during the FY2021-22 on March 28, 2022. The Nomination and Remuneration policy is available on the website of the Company i.e. <https://www.boat-lifestyle.com/pages/policies>.

**(c) Corporate Social Responsibility Committee**

The Corporate Social Responsibility (“CSR”) Committee was formed pursuant to the provisions of the Companies Act, 2013. The CSR committee was comprised of three Directors namely Mr. Aman Gupta, Mr. Sameer Mehta and Mr. Kanwaljit Singh. During the financial year under review, the Board of Directors, in their meeting held on January 18, 2022, has re-constituted the CSR Committee by inducting Mr. Vivek Gambhir and Ms. Purvi Sheth as Committee members in place of Mr. Sameer Mehta and Mr. Kanwaljit Singh. The CSR Committee was reconstituted in accordance with the provisions of Section 135 of the Companies Act, 2013, as amended and all other applicable provisions with below mentioned members and the terms of reference.

As on March 31, 2022, the composition of CSR Committee was as follows:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the financial year	Number of meetings of CSR Committee attended during the financial year
1	Mr. Aman Gupta	Chairperson	1	1
2	Mr. Sameer Mehta *	Member	1	1
3.	Mr. Kanwaljit Singh**	Member	1	1
4	Mr. Vivek Gambhir@	Member	-	-
5.	Ms. Purvi Sheth#	Member	-	-

\* Mr. Sameer Mehta ceased from the CSR committee w.e.f. January 18, 2022 due to reconstitution of Committee

\*\* Mr. Kanwaljit Singh ceased from the CSR committee w.e.f. January 08, 2022 due his resignation from the directorship of the Company

@ Mr. Vivek Gambhir appointed as Committee member w.e.f. January 18, 2022

# Ms. Purvi Sheth appointed as Committee Member w.e.f. January 18, 2022

The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which have been approved by the Board. The CSR Policy may be accessed on the Company’s website at the link <https://www.boat-lifestyle.com/pages/policies>.

For the financial year 2021-22, your Company was required to spend INR 1,29,63,551 (2% of the average net profits of the last three financial years) on CSR . As on March 31, 2022, your Company has spent INR 1,07,94,427 towards CSR activities i.e. towards COVID-19 relief, child education, and healthcare etc. and balance amount INR 21,70,000 was transferred to PM Cares fund within 6 months from the end of the financial year in compliance with section 135(5) of the Companies Act, 2013. There is no unspent amount remains toward CSR liabilities for the financial year 2021-22.

A Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed herewith as “**Annexure A**”.

**(d) Stakeholder Relationship Committee (SRC)**

The Stakeholder Relationship Committee was constituted pursuant to a resolution passed by the Board of Directors in its meeting held on January 18, 2022 to re-address the grievance of the stakeholders. As on March 31, 2022, the composition of committee was as follows:

Sr. No.	Name of the Directors	Designation
1	Mr. Deven Waghani	Chairman
2	Mr. Aman Gupta	Member
3	Mr. Vivek Gambhir	Member

**(e) Risk Management Committee (RMC)**

Risk Management Committee was constituted pursuant to a resolution passed by the Board of Directors in its meeting held on January 18, 2022. The Board has constituted Risk Management Committee to identify and access the key risk areas, oversee the risk mitigation strategies and implementation thereof. As on March 31, 2022, the composition of committee was as follows:

Sr. No.	Name of the Directors	Designation
1	Mr. Aashish Kamat	Chairman
2	Mr. Sameer Mehta	Member
3	Mr. Vivek Gambhir	Member

The Risk Policy may be accessed on the Company's website at the link <https://www.boat-lifestyle.com/pages/policies>

**13. DECLARATIONS BY INDEPENDENT DIRECTORS:**

In Compliance with the provisions of Section 149(6) of the Companies Act, 2013, the Company has received necessary declarations from the Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and they have registered their names in the Independent Directors' Databank.

**14. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

The Board has adopted a Policy on appointment and remuneration of Directors and Key managerial Personnel which includes the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013. The Policy is available on the website of the Company at <https://www.boat-lifestyle.com/pages/policies>. The remuneration paid to the Directors and Senior Management personnel is as per Managerial Remuneration Policy of the Company.

**15. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Section 178 of the Companies Act, 2013, the annual performance evaluation of the Board, its Committees and Individual Directors was conducted in accordance with the manner specified by the NRC. The Independent Directors carried out annual performance evaluation of

the Chairperson, the non- independent Directors, and the Board as a whole. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on the report on evaluation received by it from respective Committees. A consolidated report on performance evaluation was shared with the Chairman of the NRC and Board for their review and giving feedback to each Director.

## **16. RISK MANAGEMENT**

Risk Management is an integral part of the Company's business strategy. The Company governs the risk management process through Risk Management Framework which is overseen by the Board. The Risk Management Framework covers integrated risk management mainly comprising of strategic risks, financial risks, operational risks, reputation risks, investment risks, people risks, Legal and Regulatory Risks, Compliance risks and other risks. The Board of Directors of the Company have designed Risk Management Policy and guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses and define a structured approach to manage uncertainty and to make use of these in their decision-making pertaining to all business divisions and corporate functions.

## **17. INTERNAL FINANCIAL CONTROL**

Your Company has in place an adequate internal control system commensurate with the size, nature and operations of the Company. The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures.

Statutory Auditors verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.

## **18. AUDITORS**

### **A. Statutory Auditors**

In terms of Section 139 of the Companies Act, 2013, M/s. BSR & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), were appointed as the Statutory Auditors of the Company for period of five years to hold office from the conclusion of 7<sup>th</sup> Annual General Meeting till the conclusion of 11<sup>th</sup> Annual General Meeting to be held in the year 2024.

The Notes on the financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

### **B. Secretarial Auditors**

The Board had appointed M/s. M. Siroya & Co., Company Secretaries, to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022, is annexed herewith marked as "Annexure B" to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

**C. Cost Auditor:**

The provision of cost audit as per section 148 of the Companies Act, 2013 is not applicable to the Company.

**19. DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS:**

During the financial year under review, no fraud has been reported by the Statutory Auditors to the Audit Committee or the Board of Directors of the Company under section 143(12) of the Companies Act, 2013.

**20. CONSOLIDATED FINANCIAL STATEMENT**

In accordance with the provisions of the Act and Indian Accounting Standard (“Ind AS”) 110 - Consolidated Financial Statements, the audited consolidated financial statement forms part of the Annual Report.

**21. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm’s length basis. During the financial year, the Company had not entered into any contract / arrangement / transaction with related parties which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Members may refer to Note provided in the standalone financial statement which sets out related party disclosures pursuant to Indian Accounting Standards.

**22. DIRECTORS’ RESPONSIBILITY STATEMENT**

In terms of Section 134(5) of the Companies Act, 2013, (“the Act”) your Directors state that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed and there are no material departures from the same;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts are prepared on a going concern basis; and
- (e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



**23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The details of loans given, investments made, guarantees given and securities provided under Section 186 of the Companies Act, 2013 have been provided in the notes to the financial statements.

**24. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:**

In accordance with the provisions of Section 177 (10) of the Companies Act, 2013, the Company has established vigil mechanism by adopting a Whistle Blower Policy for the Directors and employees to report genuine concerns or grievances. The administration of the vigil mechanism is ensured through the Audit Committee. The Policy may be accessed on the Company's website at the link <https://www.boat-lifestyle.com/pages/policies>

**25. DEPOSITS:**

During the financial year under consideration, your Company has not accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

**26. POLICY FOR PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

The Company has provided a safe and dignified work environment for its employees which is free of discrimination, intimidation and abuse. The Company has adopted a Policy for Prevention of Sexual Harassment of Women at Workplace pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of complaints of any such harassment. The Internal Complaints Committee to redress the complaints received under the Act is in place.

During the year under review, there was no complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Provision and Redressal) Act, 2013 and rules made thereunder.

**27. PARTICULARS OF EMPLOYEES**

During the year under review, the Company is not listed. Therefore, the provisions of Section 197(12) of the Companies Act, 2012 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

**28. DISCLOSURE OF REMUNERATION OR COMMISSION RECEIVED BY A MANAGING OR WHOLE-TIME DIRECTOR FROM THE COMPANY'S HOLDING OR SUBSIDIARY COMPANY:**

In terms of Section 197(14) of the Companies Act, 2013 and rules made thereunder, during the year under review, no Directors or Whole-time Director has received any commission from the Company or its holding or subsidiary Company. Hence, the provisions are not applicable to the Company.

## **29. REGULATORY ACTION/APPROVAL**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

## **30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars required under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption is of utmost significance to the Company.

### **A. Conservation of Energy:**

Operations of the Company are not energy intensive. However, every effort is made to ensure optimum use of energy by using energy efficient computers, processes and other office equipment. Constant efforts are made through regular/ preventive maintenance and upkeep of existing electrical equipment to minimize breakdowns and loss of energy. The Company is continuously making efforts for induction of innovative technologies and techniques required for the business activities.

### **B. Technology Absorption:**

- (i) **Efforts made towards technology absorption:** The Company has not entered into any technology agreement or collaborations.
- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:** Not applicable
- (iii) **Information regarding imported technology (Imported during last three years):** The Company has not imported any technology during the last three years.
- (iv) **Expenditure incurred on research and development:** Nil

### **C. Foreign Exchange Earning and Outgo:**

The details of inflow and outgo of foreign exchange during the year under review is as follows:

(Amount in INR Mn.)

Particulars	2021-22	2020-21
Foreign Currency Earnings	-	-
Foreign Currency Outgo	21249.45	10665.38

## **31. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Board of Directors affirms that the Company has complied with the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

**32. APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY & BANKRUPTCY CODE, 2016:**

During the year under review, neither the Company has made an application under the Insolvency & Bankruptcy Code, 2016 nor any proceeding is pending against the Company under said Code.

**33. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE- TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

There was no such transaction during the FY 2021-22.

**34. ANNUAL RETURN**

As required under Section 92(3) of the Act and the Rules made thereunder and amended from time to time, the Annual Return of the Company in prescribed Form MGT-7 is available on the website of the Company i.e. <https://www.boat-lifestyle.com/pages/annual-report>.

**35. GENERAL DISCLOSURES UNDER THE COMPANIES ACT, 2013 READ WITH RULES FORMED UNDER THE ACT AND OTHER APPLICABLE LAWS:**

- (i) None of the Directors of your Company are disqualified as per provisions of Section 164(2) of the Act.
- (ii) The Company has not provided money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- (iii) During the year under review the Company has not issued any debentures therefore the appointment of Debenture Trustee is not applicable.
- (iv) The Board of Directors further state that no cases of child labour, forced labour, involuntary labour or discriminatory employment were reported during the year under review.

**36. ACKNOWLEDGEMENT**

Your Board of Directors wish to place on record their sincere appreciation for the continued support and cooperation of the shareholders, bankers, various regulatory and government authorities and employees of the Company. Your support as shareholders and members of the Company is greatly valued to us. Board acknowledges your continued association and support in the growth of the organization.

**For and on behalf of the Board of Directors of  
Imagine Marketing Limited  
(Formerly known as Imagine Marketing Private Limited)**

**Date:**  
**Place: Mumbai**

**Sameer Mehta**  
**Chairman & Whole Time Director**  
**(DIN: 02945481)**

**Vivek Gambhir**  
**Whole-time Director**  
**(DIN: 06527810)**

**Annexure-A**  
**The Annual Report on Corporate Social Responsibility**  
**for Financial Year ended March 31, 2022**

**1. Brief outline on Corporate Social Responsibility Policy of the Company:**

Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) has been an adopter of Corporate Social Responsibility (CSR) initiatives. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. The company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations. The Company's CSR policy is available on its website at <https://www.boat-lifestyle.com/pages/policies>.

**2. Composition of CSR Committee:**

The CSR committee was comprised with three directors namely Mr. Aman Gupta Mr. Sameer Mehta and Mr. Kanwaljit Singh. During the year on January 18, 2022, the CSR committee was re-constituted with Mr. Vivek Gambhir and Ms. Purvi Sheth in place of Mr. Sameer Mehta and Mr. Kanwaljit Singh. As on March 31, 2022 the composition of Corporate Social Responsibility (CSR) Committee was:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Aman Gupta	Chairperson	1	1
2	Mr. Sameer Mehta *	Member	1	1
3.	Mr. Kanwaljit Singh**	Member	1	1
4	Mr. Vivek Gambhir@	Member	-	-
5.	Ms. Purvi Sheth#	Member	-	-

\* Mr. Sameer Mehta ceased to be a member of the CSR committee w.e.f. January 18, 2022 due to reconstitution of Committee

\*\* Mr. Kanwaljit Singh ceased to be a member of the CSR committee w.e.f. January 08, 2022 due to his resignation from the directorship of the Company

@ Mr. Vivek Gambhir was appointed as Committee member w.e.f. January 18, 2022

# Ms. Purvi Sheth was appointed as Committee Member w.e.f. January 18, 2022

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

<https://www.boat-lifestyle.com/pages/investor-relations>

4. Provide the executive summary alongwith web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable for the financial year under review

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
-	Nil	Nil	Nil
	<b>Total</b>	Nil	Nil

6. (a) Average net profit of the company as per section 135(5) : INR 64,81,77,571/-
- (b) Two percent of average net profit of the company as per section 135(5) : INR 1,29,63,551/-
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- (d) Amount required to be set off for the financial year, if any : Nil
- (e) Total CSR obligation for the financial year (7b+7c-7d). : INR 1,29,64,427/-

7. (a) CSR amount spent or unspent for the financial year 2021-22 :

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
1,07,94,427/-	-	-	PM Cares Fund	35,000	September 23, 2022
	-	-		21,35,000	September 29, 2022

- (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State. District.						Name CSR Registration number.
-	-	-	-	-	-	-	-	-	-	
	Total									

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Amount spent for the project (In Rs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.
				State District			Name CSR registration number.
1.	Covid-19 Pandemic Relief	Yes	Yes	Delhi	51,74,000	No	Savelife Foundation CSR00000728
2.	Child Educational and Talent Development	Yes	Yes	Delhi	13,70,427	No	Kailash Satyarthi Children's Foundation 231661122
3.	Child Cancer Treatment, Tata Memorial Hospital	Yes	Yes	Mumbai	42,50,000	Yes	Tata Memorial Centre F-12499
4.	PM CARES Fund	Yes	No	Delhi	21,70,000	Yes	PM CARES Fund -
	<b>Total</b>				<b>1,29,64,427</b>		

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : INR 1,29,64,427

(g) Excess amount for set off, if any



Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

(h) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
1.	2020-21	Nil	Nil	Nil	Nil	Nil	Nil
2.	2019-20	Nil	Nil	Nil	Nil	Nil	Nil
3.	2018-19	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
NA	NA	NA	NA	NA	NA	NA	NA	NA

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

Not applicable during the financial year under review (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s). : NA
- (b) Amount of CSR spent for creation or acquisition of capital asset. : NA
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : NA

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

Not applicable during the year under review.

**For and on behalf of**  
**Imagine Marketing Limited**  
**(Formerly known as Imagine Marketing Private Limited)**

Mr. Aman Gupta  
Director  
DIN: 02249682  
Chairman - CSR Committee

Mr. Vivek Gambhir  
Director & Chief Executive Officer  
DIN: 06527810

**M Siroya and Company**  
**Company Secretaries**

A-103, Samved Building (Madhukunj), Near Ekta Bhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066  
Tel.: +91 22 28706523/24; 28546523(D); Cel.: +91 9324310151; E-mail: [siroyam@gmail.com](mailto:siroyam@gmail.com); [www.msiroya.com](http://www.msiroya.com)

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Imagine Marketing Limited,  
E-Wing, Unit- 505, Corporate Avenue,  
Opp. Solitaire Park, Chakala,  
Andheri East  
Mumbai 400093

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Imagine Marketing Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the relevant and applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment in India;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; and

We have also examined compliance with the applicable clauses of the following:

- 1. Secretarial Standards issued by The Institute of Company Secretaries of India ("ICSI"), as amended from time to time; and
- 2. Listing Agreement: The Company is an unlisted Public Company and therefore compliance with listing agreement/regulations is not applicable.

Note: The Company became a Public Limited Company pursuant to Certificate of Incorporation dated January 24, 2022 issued upon conversion from Private Limited Company to Public Limited Company and approval of Central Government.

## **M Siroya and Company** ***Company Secretaries***

A-103, Samved Building (Madhukunj), Near Ekta Bhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066  
Tel.: +91 22 28706523/24; 28546523(D); Cel.: +91 9324310151; E-mail: [siroyam@gmail.com](mailto:siroyam@gmail.com); [www.msiroya.com](http://www.msiroya.com)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable.

**We further report that** the Board of the Company and Committees thereof is duly constituted as per the Companies Act 2013 with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The following changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act:

- (i) Mr. Vivek Gambhir (DIN: 06527810) was appointed as an Additional Director of the Company w.e.f. April 20, 2021 by the Board and the same was approved by the Members at their Annual General Meeting held on October 27, 2021.
- (ii) Mr. Anand Ramamoorthy (DIN: 05277865) was appointed as an Independent Director of the Company for the period from November 12, 2021 to November 11, 2026 by the Board and the same was approved by the Members at their Extra Ordinary General Meeting held on December 15, 2021.
- (iii) Mr. Aashish Kamat (DIN: 06371682) was appointed as an Independent Director of the Company for the period from November 12, 2021 to November 11, 2026 by the Board and the same was approved by the Members at their Extra Ordinary General Meeting held on December 15, 2021.
- (iv) Ms. Purvi Sheth (DIN: 06449636) was appointed as an Independent Director (Woman) of the Company for the period from November 12, 2021 to November 11, 2026 by the Board and the same was approved by the Members at their Extra Ordinary General Meeting held on December 15, 2021.
- (v) Mr. Deven Waghani was appointed as an Additional Independent Director of the Company for the period from December 15, 2021 to December 14, 2026 by the Board and the same was approved by the members at the Extra Ordinary General Meeting held on December 15, 2021.
- (vi) Mr. Kanwaljit Singh (DIN: 01388140) resigned as a Director of the Company w.e.f. January 08, 2022.
- (vii) The Board of Directors on January 17, 2022 approved the following:
  - a. Re-designation of Mr. Aman Gupta as an Executive Director of the Company, liable to retire by rotation.
  - b. Re-designation of Mr. Sameer Mehta as an Executive Director of the Company, liable to retire by rotation.
  - c. Re-designation of Mr. Vikram Chogle as a Non-Executive Director of the Company, liable to retire by rotation.
- (viii) Mr. Sameer Mehta (DIN: 02945481), Executive Director of the Company, was appointed as Chairman of the Board w.e.f. January 18, 2022.
- (ix) Mr. Vikram Chogle (DIN: 08999290) resigned as a Director of the Company w.e.f. January 19, 2022.

## **M Siroya and Company** ***Company Secretaries***

A-103, Samved Building (Madhukunj), Near Ekta Bhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066

Tel.: +91 22 28706523/24; 28546523(D); Cel.: +91 9324310151; E-mail: [siroyam@gmail.com](mailto:siroyam@gmail.com); [www.msiroya.com](http://www.msiroya.com)

- (x) Appointment of Mr Aman CMO as WTD for five year , Appointment of Mr Sameer Mehta CPO as WTD for five year and Appointment of Mr Vivek Gambhir CEO as WTD

Adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in certain cases where meetings were held through shorter notice after due compliance of the applicable provisions, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation & deliberations at these meetings.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that the systems and processes prevailing in the Company may be further strengthened commensurate with the size and operations of the Company in order to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has undertaken following significant & material corporate events/actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- (i) 1,762 Series B1 Compulsory Convertible Preference Shares ("Series B1 CCPS") of face value of INR 6000 each for cash at a premium of INR 2,77,749 each aggregating to INR 49,99,65,738 were allotted on April 20, 2021 to Qualcomm Ventures LLC on preferential basis pursuant to the approval of the board and shareholders at their respective meeting held on April 13, 2021.
- (ii) The Board of Directors at their meeting held on April 13, 2021, approved the grant of 2749 ESOPS under the Management Stock Option Plan, 2021 to Mr. Vivek Gambhir.
- (iii) The Members at their Extra Ordinary General Meeting held on April 20, 2021, approved the adoption of the altered Articles of Association of the Company.
- (iv) The Board of Directors at the Meeting held on May 13, 2021, inter-alia, approved the following:
  - a) Allotment of 2559 Equity Shares of INR 10 each to South Lake Investment Ltd upon conversion of 2,559 Series A Compulsorily Convertible Preference Shares ("Series A CCPS") of face value of INR 10 each, ranking pari-passu with the existing equity shares of the Company in the ratio of 1:1.
  - b) Incorporation of Wholly Owned Subsidiary (WOS) of the Company.
- (v) The Board of Directors its resolution dated May 26, 2021 allotted following bonus shares pursuant to the Board and shareholders approval at their meetings held on May 13, 2021 respectively:
  - a) capitalise a sum of INR 9,47,73,750 out of the Company's Securities Premium Account or such other account and transfer of such amount to the Share Capital Account for issue and allotment of 94,77,375 Equity Shares of INR 10 each as Bonus Shares.
  - b) capitalise a sum of INR 16,15,880 out of the Company's Securities Premium Account or such other account and transfer of such amount to the Share Capital Account for issue and allotment of 1,61,588 Series A Compulsorily Convertible Preference Shares ("CCPS") of INR 10 each as Bonus Shares.

## **M Siroya and Company** ***Company Secretaries***

A-103, Samved Building (Madhukunj), Near Ekta Bhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066  
Tel.: +91 22 28706523/24; 28546523(D); Cel.: +91 9324310151; E-mail: [siroyam@gmail.com](mailto:siroyam@gmail.com); [www.msiroya.com](http://www.msiroya.com)

- c) capitalise a sum of INR 34,58,620 out of the Company's Securities Premium Account or such other account and transfer of such amount to the Share Capital Account for issue and allotment 3,45,862 Series A1 Compulsorily Convertible Preference Shares ("CCPS") of Rs. 10 each as Bonus Shares.
- (vi) The Board of Directors at their Meeting held on August 19, 2021, inter-alia, approved the following:
  - a) Shifting of the registered office of the Company from "501 B, Shri Guru Har Krishan Bhavan, Charat Singh Colony, Chakala, Andheri (East), Mumbai 400093" to "E Wing, Unit 505, Wing 2, Corporate Avenue, Atul Project, Opp. Solitaire Corporate Park, Andheri (East), Mumbai 400093" w.e.f. July 26, 2021.
  - b) To grant loan to Dive Marketing Private Limited upto maximum of INR 5,00,00,000/- at a rate of 7% per annum.
- (vii) The members at the Annual General Meeting held on October 27, 2021, approved the grant of ESOPs to eligible employees of the Company under Employees Stock Option Plan, 2019.
- (viii) The Board of Directors at their Meeting held on November 03, 2021, inter-alia, approved the following:
  - a) Incorporation of Wholly Owned Subsidiary Company in Singapore under the name of "Imagine Marketing Singapore" with an investment of USD 10,000 by subscribing to 10,000 shares of Rs. 10 each.
  - b) Incorporation of Wholly Owned Subsidiary Company in India under the name of Imagine Growth Private Limited or Imagine Ventures Private Limited or Imagine Growth Ventures Private Limited or Imagine Investment Private Limited.
- (ix) The Board of Directors at their Meeting held on December 15, 2021, inter-alia, approved the following:
  - a) Formation of Manufacturing Joint Venture with Dixon Technologies (India) Limited
  - b) Approval of Acquisition of Kimirica B2B and Kimirica B2C for a total investment amount of upto INR 45 Crores.
  - c) Approved the acquisition of KAHA Pte. Ltd (together with its wholly owned subsidiaries, KAHA Technologies Pvt Ltd and KAHA Technology Shenzhen Co. Ltd.) by purchase of 100% of KAHA Pte. Ltd. and Kaha Technologies Private Limited at a total consideration of upto USD 40 million.
- (x) The members at the Extra Ordinary General Meeting held on December 15, 2021, inter-alia, approved the following:
  - a) Sub-division of every 1 existing equity share of the Company of face value of INR 10 each fully paid up into 10 equity shares of face value of INR 1 each and consequential amendment in Capital Clause of Memorandum of Association.
  - b) Amendment to the current (1) Imagine Employees Stock Option Plan-2019 and (2) Imagine Management Stock Option Plan-2021 in order to ensure compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.



## **M Siroya and Company** ***Company Secretaries***

A-103, Samved Building (Madhukunj), Near Ekta Bhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066  
Tel.: +91 22 28706523/24; 28546523(D); Cel.: +91 9324310151; E-mail: [siroyam@gmail.com](mailto:siroyam@gmail.com); [www.msiroya.com](http://www.msiroya.com)

- c) Increase in limit of Investment by non-resident Indians ("NRI") and overseas citizens of India in equity shares of the Company from 10% to 24% of the paid-up equity share capital of the Company.
  - d) Approved raising of Capital through Initial Public Offering ("IPO") by allotment of such no. of equity shares of face value of INR 1 each for cash either at par or premium.
  - e) Offer, Issue and allotment of 4,63,500 equity shares of the Company, having face value of INR 1 each at a premium of INR 42.15 for an aggregate subscription amount of INR 2,00,00,025 on preferential basis to InnoVen Capital India Private Limited.
- (xi) The Board of Directors on December 28, 2021 approved the Allotment of 102,000 equity shares to Mr. Sushant Dalmia (ex CFO) under Imagine Employees Stock Option Plan - 2019 ("Imagine ESOP 2019") pursuant to the approval of the Board and shareholders at their meetings held on December 15, 2021, respectively.
- (xii) The Board of Directors on December 28, 2021, approved the Allotment of 463,500 equity shares of INR 1 each at a premium of Rs. 42.15 each aggregating to 2,00,00,025 on private placement cum preferential basis to Innoven Capital India Private Limited.
- (xiii) The members at the Extra Ordinary General Meeting held on January 18, 2022, inter-alia, approved the following:
- a) Conversion of the Company from Private Limited Company limited by shares into Public Limited Company limited by shares and consequential change in the name of the Company from "Imagine Marketing Private Limited" to "Imagine Marketing Limited".
  - b) Adoption of revised AOA and MOA of the Company for conversion into Public Limited Company.
- (xiv) The members at the Extra Ordinary General Meeting held on January 25, 2022, inter-alia, approved the following:
- a) Raising of capital through IPO of its equity shares of INR 1 per equity share comprising fresh issue of equity shares by the Company and an Offer for Sale of equity shares by eligible shareholders of the Company.
  - b) Adoption of altered AOA pursuant to waiver cum amendment agreement to the amended and restated Shareholders Agreement dated April 09, 2021.
- (xv) The Board of Directors at their another Meeting held on January 25, 2022, inter-alia, approved the following:
- a) Adoption of Draft Red Herring Prospectus
  - b) Granting loan/ investment/ providing securities under section 186 to its Wholly Owned Subsidiary Company, HOB Ventures Private Limited, upto a limit not exceeding INR 48 crores.
  - c) Approval of Overseas Direct Investment in Wholly Owned Subsidiary, Imagine Marketing Singapore Pte. Ltd, by subscribing to equity shares having face value of USD 1 each for an amount not exceeding USD 10,000.

**M Siroya and Company**  
***Company Secretaries***

A-103, Samved Building (Madhukunj), Near Ekta Bhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066

Tel.: +91 22 28706523/24; 28546523(D); Cel.: +91 9324310151; E-mail: [siroyam@gmail.com](mailto:siroyam@gmail.com); [www.msiroya.com](http://www.msiroya.com)

- d) Investment of surplus funds in Wholly Owned Subsidiary, Imagine Marketing Singapore Pte. Ltd., in accordance with section 186, upto a limit not exceeding USD 45 million.

- (xvi) The Board of Directors on March 23, 2022, approved the Allotment of 2,14,800 equity shares of INR 1 each to 44 employees of the Company who exercised their option under the "Imagine employee stock option plan-2019".

**For M Siroya and Company**  
**Company Secretaries**

**Mukesh Siroya**

**Proprietor**

**FCS No.: 5682**

**CP No.: 4157**

**UDIN: F005682D001284927**

**Date: October 18, 2022**

**Place: Mumbai**

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**M Siroya and Company**  
***Company Secretaries***

A-103, Samved Building (Madhukunj), Near Ekta Bhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066  
Tel.: +91 22 28706523/24; 28546523(D); Cel.: +91 9324310151; E-mail: [siroyam@gmail.com](mailto:siroyam@gmail.com); [www.msiroya.com](http://www.msiroya.com)

**‘Annexure A’**

**To,  
The Members,  
Imagine Marketing Private Limited  
Mumbai**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For M Siroya and Company  
Company Secretaries**

**Mukesh Siroya  
Proprietor  
FCS No.: 5682  
CP No.: 4157  
UDIN: F005682D001284927**

**Date: October 18, 2022  
Place: Mumbai**

# B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
Western Express Highway, Goregaon (East),  
Mumbai - 400 063, India

Telephone: +91 22 6257 1000  
Fax: +91 22 6257 1010

## Independent Auditor's Report

**To the Members of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited)**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing 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 loss, 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' Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

**Independent Auditor's Report (Continued)****Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited)**

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)

### Imagine Marketing Limited (formerly known as Imagine Marketing 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 33 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 its knowledge and belief, other than as disclosed in the Note 50 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)**

**Imagine Marketing Limited (formerly known as Imagine Marketing 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 its knowledge and belief, as disclosed in the Note 50 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 remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

*Chartered Accountants*

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

**Amar Sunder**

*Partner*

Place: Mumbai

Date: 18 October 2022

Membership No.: 078305

ICAI UDIN:22078305BAECRU3749



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing 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 annually. In accordance with this programme, all 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 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 and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. 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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

(All amount in Rs millions)

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
June 2021	Citi Bank, RBL,	Inventory	2,720.83	2,488.29	232.55

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022 (Continued)**

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
	HDFC, I CICI				
June 2021	Citi Bank, RBL, HDFC, I CICI	Trade receivables	3,006.22	2,962.44	43.78
June 2021	Citi Bank, RBL, HDFC, I CICI	Advance vendors to	2,692.41	2,631.16	61.25
Sep 2021	Citi Bank, RBL, HDFC, I CICI, HSBC	Inventory	7,323.01	1,715.93	5,607.08
Sep 2021	Citi Bank, RBL, HDFC, I CICI, HSBC	Trade receivables	6,352.63	8,623.95	(2,271.32)
Sep 2021	Citi Bank, RBL, HDFC, I CICI, HSBC	Advance vendors to	3,117.39	4,673.68	(1,556.29)
Dec 2021	Citi Bank, RBL, HDFC, I CICI, HSBC, S CB	Inventory	7,935.08	6,693.71	1,241.37
Dec 2021	Citi Bank,	Trade receivables	4,286.16	4,242.01	44.15

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022 (Continued)**

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
	RBL, HDFC,I CICI, HSBC,S CB				
Dec 2021	Citi Bank, RBL, HDFC,I CICI, HSBC,S CB	Advance vendors to	1,473.62	1,387.65	85.97
March 2022	Citi Bank, RBL, HDFC ICICI, HSBC,S CB	Inventory	5,457.34	5,551.31	(93.37)
March 2022	Citi Bank, RBL, HDFC ICICI, HSBC,S CB	Trade receivables	3,227.37	3,807.74	(580.37)
March 2022	Citi Bank, RBL, HDFC,I CICI, HSBC,S CB	Advance vendors to	1,696.85	1,564.90	131.95

(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 or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and granted unsecured loans to companies and other parties, in respect of which the requisite information is as below. The Company has not made any investments in or granted any loans, secured or unsecured, to firms and limited liability partnership.

(a) Based on the audit procedures carried on by us and as per the information and explanations  
Page 7 of 14

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022 (Continued)**

given to us the Company has provided loans to subsidiary companies and employees as below:

(All amount in Rs millions)

Particulars	Loans
Aggregate amount during the year	
Subsidiaries*	31.69
Others **	15.05
Balance outstanding as at balance sheet date - 31 March 2022	
Subsidiaries*	27.00
Others **	7.21

\*As per the Companies Act, 2013

\*\* Others represents loans to employees as per the policies/practice of the Company.

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of unsecured loans 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 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 except for the loans of Rs. 27 million and Rs. 4.69 million given to wholly owned subsidiary companies, Dive Marketing Private Limited and HOB Ventures Private Limited, respectively, which are repayable on demand. As informed to us, the Company has not demanded repayment of the loan and interest thereon during the year from Dive Marketing Private Limited. The Company has received repayment when demanded of the loan along with interest thereon from HOB Ventures Private Limited prior to 31 March 2022. Thus, there has been no default on the part of the parties to whom the money has been lent. 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) 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 loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party.
- (f) 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 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 except for the following loans to related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"). Further, the Company has not given any advances in the nature of loans to any party.

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022 (Continued)**

(All amount in Rs millions)

	<b>Related Parties</b>
Aggregate of loans	
- Repayable on demand (A)	31.69
- Agreement does not specify any terms or period of Repayment (B)	-
Total (A+B)	31.69
Percentage of loans to the total loans granted	67.80%

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not provided any guarantee or security as specified under Sections 185 and 186 of the Act. In respect of the investments made and loans given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with. The Company has not granted loans, nor made any investments to which the provisions of Section of 185 of the Act apply.
- (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 sold 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 Services 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 delays in a few cases of Provident Fund and Duty of Customs

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 Duty of Customs 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 Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022 (Continued)**

(All amount in Rs Millions)

Name of the statute	Nature of the dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty, (including Interest and penalty, if applicable)	341.98	-	June 2019 to December 2020	Comm. of Customs (Import) ACC Sahar

- (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.
- (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 has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (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 and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (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 or associates 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 or associate companies (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 based on our examination of the records of the Company, the Company has made private placement of equity shares and compulsorily convertible preference shares during the year. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 and 62 of the Act. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued, though idle funds which were not required for immediate utilisation have

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022 (Continued)**

been invested in liquid investments, payable on demand. According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not make preferential allotment or private placement of fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company to that extent.

- (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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (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) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party 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 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) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC. Accordingly, clause 3(xvi)(d) of the Order is 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



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2022 (Continued)**

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) (a) In respect of other than ongoing projects, the Company has transferred unspent amount to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act.
- (b) According to the information and explanations given to us, the Company did not have any ongoing projects. 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

**Amar Sunder**

*Partner*

Place: Mumbai

Date: 18 October 2022

Membership No.: 078305

ICAI UDIN:22078305BAECRU3749

**Annexure B to the Independent Auditor's Report on the standalone financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing 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 Imagine Marketing Limited (formerly known as Imagine Marketing 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 Imagine Marketing Limited (formerly known as Imagine Marketing 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

**Amar Sunder**

*Partner*

Place: Mumbai

Membership No.: 078305

Date: 18 October 2022

ICAI UDIN:22078305BAECRU3749

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Standalone Balance Sheet

As at 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	3	26.03	17.47	9.03
Right-of-use assets	4	130.36	97.28	53.84
Other intangible assets	5	44.03	48.92	-
Intangible assets under development	5	81.67	-	-
Financial assets				
Investments in Subsidiaries and Associate	6	2,336.74	-	50.00
Other Investments	7	26.98	24.48	23.31
Other financial assets	8	42.71	17.41	14.30
Non-current tax assets (net)	9	81.72	0.04	8.29
Deferred tax assets (net)	9	31.29	26.10	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,801.53</b>	<b>231.70</b>	<b>158.77</b>
<b>CURRENT ASSETS</b>				
Inventories	11	5,457.34	3,088.23	749.58
Financial assets				
Trade receivables	12	3,227.37	754.83	552.75
Cash and cash equivalents	13	302.22	1,443.93	73.15
Bank balance other than cash and cash equivalents	14	1,575.84	45.00	12.50
Loans	15	34.21	0.59	0.93
Other financial assets	8	2,523.80	6.05	2.25
Other current assets	10	2,819.69	1,213.94	361.74
<b>TOTAL CURRENT ASSETS</b>		<b>15,940.48</b>	<b>6,552.57</b>	<b>1,752.90</b>
<b>TOTAL ASSETS</b>		<b>18,742.01</b>	<b>6,784.27</b>	<b>1,911.67</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	16	96.04	0.45	0.50
Instruments entirely equity in nature	16	108.71	93.09	-
Other equity	17	5,896.75	4,548.14	721.46
<b>TOTAL EQUITY</b>		<b>6,101.50</b>	<b>4,641.68</b>	<b>721.96</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	18	-	-	134.80
Lease liabilities	19	94.30	77.05	41.41
Provisions	20	6.34	2.02	0.79
Deferred tax liabilities (net)	9	-	-	0.85
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>100.64</b>	<b>79.07</b>	<b>177.85</b>
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	18	9,211.32	415.33	353.31
Lease liabilities	19	41.36	24.57	13.49
Trade payables				
Total outstanding dues of micro enterprise and small enterprises	21	24.43	30.57	3.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	2,164.26	1,175.27	339.62
Other financial liabilities	22	8.11	30.74	10.15
Other current liabilities	23	38.35	83.05	19.72
Provisions	20	1,052.04	208.54	176.85
Current tax liabilities (net)	9	-	95.45	94.84
<b>TOTAL CURRENT LIABILITIES</b>		<b>12,539.87</b>	<b>2,063.52</b>	<b>1,011.86</b>
<b>TOTAL LIABILITIES</b>		<b>12,640.51</b>	<b>2,142.59</b>	<b>1,189.71</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,742.01</b>	<b>6,784.27</b>	<b>1,911.67</b>

Basis of preparation, measurement and significant accounting policies 2

The accompanying notes 3 to 51 are an integral part of these Standalone Financial Statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of  
**Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)**  
CIN: U52300MH2013PLC249758

**Amar Sunder**  
Partner  
Membership No: 078305

**Aman Gupta**  
Director  
DIN: 02249682

**Sameer Mehta**  
Director  
DIN: 02945481

**Vivek Gambhir**  
Director & CEO  
DIN: 06527810

**Ankur Sharma**  
Chief Financial Officer

**Mukesh Ranga**  
Company Secretary

Mumbai, 18 October 2022

Mumbai, 18 October 2022

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Standalone Statement of Profit and Loss

For the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	24	28,729.01	13,138.03
Other income	25	135.07	65.72
<b>TOTAL INCOME</b>		<b>28,864.08</b>	<b>13,203.75</b>
<b>EXPENSES</b>			
Purchases of stock-in-trade	26	25,847.78	12,547.02
Changes in inventories of stock-in-trade	27	(2,369.11)	(2,338.65)
Employee benefits expense	28	519.94	149.20
Finance costs	29	332.89	118.78
Depreciation and amortisation expense	30	65.81	31.98
Other expenses	31	3,376.35	1,519.90
<b>TOTAL EXPENSES</b>		<b>27,773.66</b>	<b>12,028.23</b>
<b>Profit before tax</b>		<b>1,090.42</b>	<b>1,175.52</b>
<b>Tax expense</b>	9		
Current tax		306.88	327.33
Deferred tax		(4.66)	(10.51)
<b>Total tax expense</b>		<b>302.22</b>	<b>316.82</b>
<b>PROFIT FOR THE YEAR (A)</b>		<b>788.20</b>	<b>858.70</b>
<b>OTHER COMPREHENSIVE LOSS</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of the net defined benefit plans		(2.12)	(0.01)
Income tax relating to these items		0.53	0.00
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX (B)</b>		<b>(1.59)</b>	<b>(0.01)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)</b>		<b>786.61</b>	<b>858.69</b>
<b>Earnings per equity share (face value of Re. 1 each)</b>			
Basic (Rs.)	32	5.85	8.46
Diluted (Rs.)	32	5.84	7.91

### Basis of preparation, measurement and significant accounting policies

The accompanying notes 3 to 51 are an integral part of these Standalone Financial Statements.

As per our report of even date attached

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

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of

**Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)**

CIN: U52300MH2013PLC249758

**Amar Sunder**

Partner

Membership No: 078305

**Aman Gupta**

Director

DIN: 02249682

**Sameer Mehta**

Director

DIN: 02945481

**Vivek Gambhir**

Director & CEO

DIN: 06527810

**Ankur Sharma**

Chief Financial Officer

**Mukesh Ranga**

Company Secretary

Mumbai, 18 October 2022

Mumbai, 18 October 2022

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Statement of Changes in Equity for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### A. EQUITY SHARE CAPITAL

Particulars	Number of Shares	Amount
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
Equity Shares of ₹ 1/- each fully paid up		
<b>Balance at 1 April 2020</b>	<b>50,000</b>	<b>0.05</b>
Changes in equity share capital during the year due to prior period errors	-	-
<b>Restated Balance at 1 April 2020</b>	<b>50,000</b>	<b>0.05</b>
Changes in equity share capital during the year	(4,934)	(0.00)
<b>Balance at 31 March 2021</b>	<b>45,066</b>	<b>0.05</b>
Changes in equity share capital during the period due to prior period errors	-	-
<b>Restated Balance at 31 March 2021</b>	<b>45,066</b>	<b>0.05</b>
Changes in equity share capital during the year	8,65,05,300	86.51
<b>Balance at 31 March 2022</b>	<b>8,65,50,366</b>	<b>86.55</b>

#### B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	Series A CCPS *		Series B CCPS **	
	Number of Shares	Amount #	Number of Shares	Amount ##
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
<b>Balance at 1 April 2020</b>	-	-	-	-
Changes in Preference share capital during the period due to prior period errors	-	-	-	-
<b>Restated Balance at 1 April 2020</b>	-	-	-	-
Changes in preference share capital during the year	5,109	0.05	15,507	93.04
<b>Balance at 31 March 2021</b>	<b>5,109</b>	<b>0.05</b>	<b>15,507</b>	<b>93.04</b>
Changes in Preference share capital during the period due to prior period errors	-	-	-	-
<b>Restated Balance at 31 March 2021</b>	<b>5,109</b>	<b>0.05</b>	<b>15,507</b>	<b>93.04</b>
Changes in preference share capital during the year	-	-	1,762	10.57
<b>Balance at 31 March 2022</b>	<b>5,109</b>	<b>0.05</b>	<b>17,269</b>	<b>103.61</b>

Note: 5,109 Compulsorily Convertible Preference Shares of Rs. 10 each were classified as compound financial instrument on the date of issue. With effect from 5 January 2021, the same have been reclassified as Instrument completely in the nature of Equity. (refer note 16(h) for further details)

\* Series A CCPS represents 0.01% Non-cumulative compulsorily convertible preference shares of Rs 10 each, fully paid up

\*\* Series B CCPS represents 0.01% Cumulative compulsorily convertible preference shares of Rs 6,000 each, fully paid up

# Series A CCPS - Total proceeds received of Rs. 210 million in FY 2018-19 on fresh issuance of Series A CCPS which was classified as compound financial instruments up to 4 January 2021. Refer note 16(h)

## Series B CCPS - Total proceeds received of Rs. 4,400.09 million in FY 2020-21 and Rs. 499.96 million during the year ended 31 March 2022 on fresh issuance of Series B CCPS.

#### C. OTHER EQUITY

Particulars	Equity component of compound financial instruments	Reserves and Surplus						Total Other Equity
		Securities Premium	Debt Redemption Reserve	Capital redemption reserve	General reserve	Share Options Outstanding Account	Retained earnings	
<b>Balance at 1 April 2020</b>	<b>69.34</b>	-	<b>11.25</b>	-	-	<b>3.00</b>	<b>637.87</b>	<b>721.46</b>
Profit for the year	-	-	-	-	-	-	858.70	858.70
Other comprehensive income for the year	-	-	-	-	-	-	(0.01)	(0.01)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>858.69</b>	<b>858.69</b>
Securities premium on preference shares issued	-	4,307.05	-	-	-	-	-	4,307.05
Securities premium on account of change in classification of compound financial instrument	-	209.95	-	-	-	-	-	209.95
Expenses incurred directly in connection with issue of CCPS	-	(91.52)	-	-	-	-	-	(91.52)
Securities premium utilised for buy back of equity shares	-	(1,135.45)	-	-	-	-	-	(1,135.45)
Securities premium transferred to capital redemption account on buy back of equity shares	-	(0.05)	-	0.05	-	-	-	-
Buy back distribution tax	-	-	-	-	-	-	(264.52)	(264.52)
Share-based payments to employees	-	-	-	-	-	11.82	-	11.82
Reversal of deferred tax originally recognised on equity component of compound financial instrument on reclassification	16.44	-	-	-	-	-	-	16.44
Reclassification of Equity component of CCPS from Other equity to Instruments entirely Equity in nature	(85.78)	-	-	-	-	-	-	(85.78)
Transferred to general reserve	-	-	(11.25)	-	11.25	-	-	-
<b>Balance at 31 March 2021</b>	-	<b>3,289.98</b>	-	<b>0.05</b>	<b>11.25</b>	<b>14.82</b>	<b>1,232.04</b>	<b>4,548.14</b>
Profit for the year	-	-	-	-	-	-	788.20	788.20
Other comprehensive income for the year	-	-	-	-	-	-	(1.59)	(1.59)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>786.61</b>	<b>786.61</b>
Securities premium on preference shares issued	-	489.39	-	-	-	-	-	489.39
Securities premium on Equity shares issued	-	19.54	-	-	-	-	-	19.54
Expenses incurred directly in connection with issue of CCPS	-	(12.07)	-	-	-	-	-	(12.07)
Utilised for issue of bonus shares	-	(99.80)	-	(0.05)	-	-	-	(99.85)
Share-based payments to employees	-	-	-	-	-	155.72	-	155.72
Issue of equity shares on exercise of employee stock options	-	17.81	-	-	-	(8.54)	-	9.27
<b>Balance at 31 March 2022</b>	-	<b>3,704.85</b>	-	-	<b>11.25</b>	<b>162.00</b>	<b>2,018.65</b>	<b>5,896.75</b>

Refer note 17B for nature and purpose of reserves.

The accompanying notes 3 to 51 are an integral part of these Standalone Financial Statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

**Amar Sunder**  
Partner  
Membership No: 078305

For and on behalf of the Board of Directors of  
**Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)**  
CIN: U52300MH2013PLC249758

**Aman Gupta**  
Director  
DIN: 02249682

**Sameer Mehta**  
Director  
DIN: 02945481

**Vivek Gambhir**  
Director & CEO  
DIN: 06527810

**Ankur Sharma**  
Chief Financial Officer

**Mukesh Ranga**  
Company Secretary

Mumbai, 18 October 2022

Mumbai, 18 October 2022

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Standalone Statement of Cash Flows For the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,090.42	1,175.52
<i>Adjustments for:</i>		
Depreciation and amortisation expense	65.81	31.98
Share based payment expense	155.72	11.82
Interest on fixed deposits	(96.63)	(21.38)
Interest income others	(2.15)	-
Interest on income tax refund	-	(0.64)
Fair valuation (gain)/loss from investments designated at FVTPL	(2.51)	(1.17)
Liabilities no longer required, written back	(0.45)	(0.03)
Provisions no longer required, written back	(6.41)	(14.33)
Gain on derecognition of liability component of CCPS	-	(20.43)
Gain on waiver of lease liabilities	-	(3.35)
Gain on derecognition of leases	(1.70)	-
Finance cost	332.89	118.78
Provision for impairment of non-current investment	-	50.00
Provision for loss allowance for trade receivables	7.05	-
Provision for doubtful advances	38.16	28.63
Provision for doubtful interest receivable on trade advance	-	1.77
Provision for slow and non moving inventory	86.61	168.30
Provision for warranty	484.88	181.94
Provision for expected return liability	550.00	20.95
Unrealised foreign exchange (gain) / loss	8.00	(11.78)
<b>Operating profit before working capital changes</b>	<b>2,709.69</b>	<b>1,716.58</b>
<i>Adjustments for :</i>		
(Increase) in inventories	(2,455.72)	(2,506.95)
(Increase) in trade receivables	(2,479.59)	(187.75)
(Increase)/Decrease in loans	(4.48)	0.34
(Increase) in other financial assets	(2,460.09)	(5.14)
(Increase) in other current assets	(1,637.05)	(880.83)
Increase in trade payables	974.84	873.06
(Decrease)/Increase in other financial liabilities	(29.53)	9.15
(Decrease) in other current liabilities	(44.70)	63.33
(Decrease) in current and non-current provisions	(187.06)	(169.97)
<b>Cash (used in) operations</b>	<b>(5,613.68)</b>	<b>(1,088.18)</b>
Taxes paid (net of refunds)	(484.01)	(332.83)
<b>Net Cash flows (used in) operating activities (A)</b>	<b>(6,097.69)</b>	<b>(1,421.01)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment made in equity shares of subsidiaries	(2,336.73)	-
Purchase of tangible assets	(24.74)	(16.40)
Purchase of intangible assets	-	(35.50)
Intangible assets under development	(77.89)	-
Loan given to subsidiaries	(31.69)	-
Repayment of loan from subsidiaries	4.69	-
Fixed deposits placed	(1,575.84)	(45.00)
Fixed deposits matured	45.00	12.50
Interest on fixed deposits	13.67	17.84
<b>Net cash flow (used in) investing activities (B)</b>	<b>(3,983.53)</b>	<b>(66.56)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of preference shares, including securities premium	499.96	4,400.09
Proceeds from issue of equity shares, including securities premium	29.99	-
Expenses incurred for issuance of preference share capital	(12.07)	(91.52)
Payment towards buy back of equity shares	-	(1,135.50)
Payment towards distribution tax on buy back of equity shares	-	(264.52)
Repayment towards debentures	-	(112.50)
Proceeds from term loan	-	100.00
Repayment towards term loan	(58.82)	(60.00)
Proceeds from short-term borrowings other than cash credit (net)	8,843.46	145.72
Repayment of lease liabilities	(44.05)	(19.26)
Interest and other borrowing costs paid	(318.96)	(92.96)
<b>Net cash flow generated from financing activities (C)</b>	<b>8,939.51</b>	<b>2,869.55</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(1,141.71)</b>	<b>1,381.98</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,443.93</b>	<b>61.95</b>
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>302.22</b>	<b>1,443.93</b>



## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Standalone Statement of Cash Flows

For the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Components of cash and cash equivalents:</b>		
Cash on hand	0.72	0.07
Balance with banks		
In current accounts	301.50	42.00
In deposits with original maturity of less than 3 months	-	1,401.86
<b>Total cash and cash equivalents (refer note 13)</b>	<b>302.22</b>	<b>1,443.93</b>

The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

#### Reconciliation between opening and closing balance sheet for liabilities arising from financing activities:

	Opening balance 1 April 2021	Cash flows	Non- cash movement	Closing balance 31 March 2021
Long-term borrowings (including current maturities)	58.82	(58.82)	-	-
Loan repayable on demand	356.51	8,854.81	-	9,211.32
Leases	101.62	(44.05)	78.09	135.66
<b>Total liabilities from financing activities</b>	<b>516.95</b>	<b>8,751.94</b>	<b>78.09</b>	<b>9,346.99</b>

#### Reconciliation between opening and closing balance sheet for liabilities arising from financing activities:

	Opening balance 1 April 2020	Cash flows	Non- cash movement	Closing balance 31 March 2021
Long-term borrowings (including current maturities)	266.12	(72.50)	(134.80)	58.82
Loan repayable on demand	210.79	145.72	-	356.51
Leases	54.90	(19.26)	65.98	101.62
<b>Total liabilities from financing activities</b>	<b>531.81</b>	<b>53.96</b>	<b>(68.82)</b>	<b>516.95</b>

Non-cash movement represents:

- With respect to long-term borrowings, accrual of interest on liability component of compound financial instruments and reclassification of liability component to Instrument entirely equity in nature (Refer note 16(h)).

- With respect to leases, accrual of interest on lease liabilities.

During the year, the Company has converted 2,559 Series A CCPS to 2,559 equity shares of Rs 10 each. The same has been treated as non-cash items and accordingly not reflected in the Standalone Statement of Cash Flows. (Refer note 16)

#### Refer note 31 (ii) for amount spent towards corporate social responsibility

The accompanying notes 3 to 51 are an integral part of these Standalone Financial Statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of  
**Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)**  
CIN: U52300MH2013PLC249758

**Amar Sunder**  
Partner  
Membership No: 078305

**Aman Gupta**      **Sameer Mehta**      **Vivek Gambhir**  
Director      Director      Director & CEO  
DIN: 02249682      DIN: 02945481      DIN: 06527810

**Ankur Sharma**      **Mukesh Ranga**  
Chief Financial Officer      Company Secretary

Mumbai, 18 October 2022

Mumbai, 18 October 2022

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 1 Company Information

Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited \*) ("Company") was incorporated on 1 November 2013 under the erstwhile Companies Act, 1956. The registered office of the Company is in Mumbai, Maharashtra, India. The principal place of business of the Company is in India. The Company is engaged in the business of trading of digital-first consumer technology products such as headphones, earphones, speakers, wearables and related accessories.

\* the Company has changed its name from Imagine Marketing Private Limited to Imagine Marketing Limited based on the approval from Registrar of Companies, Maharashtra and accordingly it has become a public limited company.

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation and measurement

##### A. Statement of Compliance

The Standalone Financial Statements of the Company comprise of Balance Sheet as at 31 March 2022, Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended 31 March 2022 (hereinafter collectively referred to as "Standalone Financial Statements").

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 up to and for the year ended 31 March 2021 were prepared in accordance with the Companies (Accounting Standard) Rules, 2006 notified under section 133 of the Act and other relevant provision of the Act.

As these are the Company first Standalone Financial Statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the cash flow of the Company is provided in Note 44.

These Standalone Financial Statements were approved by the Board of Directors of the Company in their meeting held on 18 October 2022.

##### B. Basis of preparation

The accounting policies set out below have been applied consistently to the years presented in the Standalone Financial Statements. These Standalone Financial Statements have been prepared as a going concern on the basis

##### C. Basis of measurement

The Standalone Financial Statements have been prepared on a historical cost convention, except for the following:

- (i) Employee's defined benefit plan at fair value of plan assets less present value of defined benefit obligation determined as per actuarial valuation;
- (ii) Certain financial assets and liabilities that are qualified to be measured at fair value; and
- (iii) Share based payments at fair value of the options on the date of the grant.

##### D. Functional currency and presentation

The Standalone Financial Statements has been presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions and decimals thereof, unless otherwise mentioned.

##### E. Use of estimates, assumptions and judgements

The preparation of Standalone Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent liabilities on the date of Standalone Financial Statements and the reported amount of income and expenses for the year reported. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

##### Assumption and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the amounts recognised in the Standalone Financial Statements is included in the following notes:

- Note 2.2 (e) - Impairment test of non-financial assets and financial assets
- Note 2.2 (j) - Measurement of defined benefit obligations: key actuarial assumptions
- Note 2.2 (m) - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 2.2 (n) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2.2 (f) and 2.2 (o) - Provision for obsolete inventory and provision for warranties

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.1 Basis of preparation and measurement (continued)

##### E. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

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

##### F. Fair value measurement

Certain accounting policies and disclosures of the Company 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. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

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.

#### 2.2 Summary of significant accounting policies

##### (a) Revenue Recognition

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 the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized. The Company has a single stream of revenue i.e. Sale of products.

##### Sale of products

The Company recognises revenue at a point in time when the performance obligation is satisfied, i.e. when 'control' of the goods underlying the particular performance obligation are transferred to the customer. Customers obtain control of the good when the goods are delivered at the agreed point of delivery which generally is the premises of the customer.

Further, revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

##### Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

##### Right of return

The Company provides a customer with a right to return in case of any defects or on grounds of quality. The Company based on expected value of returns estimates the goods that will be returned by the customer. For goods that are expected to be returned, the Company recognizes a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer.

##### Contract balances

Contract assets: 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.

Contract liabilities: A contract liability (which we referred to as Unearned Revenue) is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received.

Trade receivables: A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets for guidance on recognition and measurement. The credit period offered to customers generally ranges from 30 days to 60 days.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 Summary of significant accounting policies (continued)

##### (b) Recognition of dividend income, 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.

Dividend income is recognised in the Standalone statement of profit and loss on the date on which the Company's right to receive payment is established.

##### (c) Property, Plant and Equipment

###### Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the subsequent expenditure can be measured reliably.

Items such as spare parts, stand-by equipment and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the Standalone statement of profit and loss as and when incurred.

###### Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

###### Depreciation and useful lives

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on Property, Plant and Equipment is calculated on the depreciable amount using the written down value method using the rates arrived at based on the useful lives estimated by the management as prescribed in Schedule II of the Companies Act, 2013, or as per technical assessment.

Tangible Asset	Useful Life
Plant and Equipment	2 years
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years

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).

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

###### Derecognition

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

###### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at 1 April 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. 1 April 2020. Also, refer note 3 (v).

##### (d) Intangible assets

###### Recognition and measurement

Intangible assets comprise primarily of brands. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in the statement of profit and loss as incurred.

###### Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight line method, and is included in the Depreciation and Amortisation expense in the Statement of profit and loss. The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible Asset	Useful Life
Brands	10 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes are accounted for as a change in an accounting estimate.

###### Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Standalone statement of profit and loss when the asset is derecognised.

###### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of intangible assets recognized as at 1 April 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 Summary of significant accounting policies (continued)

##### (e) Impairment

###### (i) Non-financial assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group/ class of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group/ Class of assets is considered as a cash generating unit (CGU). If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss.

Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is reversed in the Standalone statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

###### (ii) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company recognises loss allowances using the expected credit loss (ECL) model as per Ind AS 109 for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

The Company considers a financial asset to be in default when:

- the counter party is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off during the year.

##### (f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realisable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolescence, damage or slow moving items. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

##### (g) Financial Instruments

###### Financial Assets

###### i) Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction cost that are directly attributable to its acquisition or issue.

###### ii) Classification and subsequent measurement

On initial recognition, a financial instrument is classified and measured at

- Amortised cost
- Fair value through other comprehensive income (FVOCI) - debt instruments;
- Fair value through other comprehensive income (FVOCI) - equity investments; 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 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 assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt instrument 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 collect contractual cash flows and selling financial assets; and
- The contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts 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.

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

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 Summary of significant accounting policies (continued)

##### (g) Financial Instruments (continued)

###### Financial Assets (continued)

###### Subsequent measurement and gains and losses

###### Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in 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 recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

###### Debt investments at FVTOCI:

These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

###### Equity investments at FVTOCI:

These assets are subsequently measured at fair value. Dividends are recognized 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 recognized in OCI and are not reclassified to profit or loss.

###### iii) Derecognition of financial assets

A financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flows from financial asset or
- Retains the contractual rights to receive the cash flows from financial asset but assumed a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

###### Financial liability

###### i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost. All financial liabilities are recognized initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

###### ii) Subsequent measurement

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

###### Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognized in the profit or loss.

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

###### Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

###### Derecognition

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

###### Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

###### Compound financial instruments

Compound financial instruments issued by the Company comprise convertible preference shares denominated in INR that can be converted to equity shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 Summary of significant accounting policies (continued)

##### (h) Cash and cash equivalents

Cash and cash equivalent includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

##### Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts and cash credits which are repayable on demand form an integral part of Company's cash management and are included as a component of cash and cash equivalents.

##### (i) Foreign Currency transactions and translations

Foreign currency transactions and translations are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Standalone statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in Standalone statement of profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

##### (j) Employee Benefits

###### (i) Defined Contribution Plan

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 contributions towards Government administered provident fund scheme, labour welfare fund and employees' state insurance 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.

###### (ii) Defined Benefit Plan

The Company's gratuity plan is a defined benefit 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 present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the Standalone statement of other comprehensive income in the period in which they occur and not reclassified to the Standalone statement of profit and loss in the subsequent period. 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 related to defined benefit plans are recognised under "Finance costs" in the Standalone statement of profit and 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 or the gain or loss on curtailment is recognised immediately in the Standalone statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the Standalone statement of profit and loss.

###### (iii) Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Short term employee benefits 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. short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

###### (iv) Other long-term employee benefits:

The Company's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurements gains or losses are recognised in the Standalone statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

###### (v) Equity settled share based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Standalone Statement of Profit and Loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.



# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 Summary of significant accounting policies (continued)

##### (k) Borrowing Costs

Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method;
- (ii) finance charges in respect of leases;
- (iii) interest expenses on bill discounting; and
- (iv) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Standalone statement of profit and loss in the period in which they are incurred.

##### (l) Leases

Effective 1 April 2020 (date of transition to Ind AS in accordance with the transition provision specified under Ind AS 101), the Company has applied Ind AS 116. For the purpose of preparation of Standalone Financial Statements, the management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for the year ended 31 March 2020. Hence in these Standalone Financial Statements, Ind AS 116 has been adopted with effect from 1 April 2020 recognising right-of-use assets and lease liabilities from the date of commencement of each leases.

The Standalone Financial Statements for the year ended 31 March 2021 have been prepared after incorporating Ind AS adjustments (both re-measurements and reclassifications) to be made in accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2020) following accounting policies consistent with that used at the date of transition to Ind AS. The Ind AS adjustments as described above are more fully described in Note 44 to the Standalone Financial Statements.

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

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

##### Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

##### Lease liability

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

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

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

The Company has applied 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) and low-value assets recognition exemption.

##### (m) Income Taxes

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.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 Summary of significant accounting policies (continued)

##### (m) Income Taxes (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.

##### (n) Provisions, Contingent liabilities and Contingent assets

###### (i) General provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Standalone Statements of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

###### (ii) Onerous contract

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

###### (iii) Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

###### (iv) Contingent assets

Contingent assets are neither recognised nor disclosed in the Standalone financial Statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

##### (o) Warranties

The Company recognises provision for warranties in respect of the products that it sells. These are reviewed at each balance sheet date and adjusted to reflect the current estimates. A provision is recognised for expected warranty claims on products sold during the year based on the past trend for actual warranty claims.

##### (p) Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the owners of the Company for the year by the weighted average number of equity shares outstanding during the reporting period (including instruments entirely equity in nature). The diluted earnings per share is computed by dividing the profit attributable to equity holders (after adjusting the cost recognised during the period for convertible instruments) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

##### (q) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer who is designated the chief operating decision maker (CODM). The Company has identified reportable segments based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete Financial Statements is available. The CODM monitors the operating results of the entity at segment level for the purpose of making decisions about resource allocation and performance assessment.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Other expenses which are not attributable or allocable to segments are disclosed separately. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Standalone financial Statements. However, the Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis and are not allocated to operating segments. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities.

## **Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)**

### **Notes to the Standalone Financial Statements for the year ended 31 March 2022**

*(All amounts are in Rs. million, unless otherwise stated)*

#### **2.3 Recent accounting developments and pronouncements**

Ministry of Corporate Affairs ("MCA"), vide notification dated 23rd March 2022, has made the following amendments to Ind AS which are effective from 1st April, 2022

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its Financial Statements.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 3 PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment	Furniture and fixtures	Office equipment	Computers	Total
<b>Cost or Deemed Cost</b>					
<b>Gross block</b>					
As at 1 April 2020 *	-	1.32	5.34	2.37	9.03
Additions	2.97	0.42	6.59	6.42	16.40
Deletions	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>2.97</b>	<b>1.74</b>	<b>11.93</b>	<b>8.79</b>	<b>25.43</b>
Additions	2.02	0.59	7.52	14.61	24.74
Deletions	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>4.99</b>	<b>2.33</b>	<b>19.45</b>	<b>23.40</b>	<b>50.17</b>
<b>Accumulated depreciation</b>					
As at 1 April 2020 *	-	-	-	-	-
Depreciation for the year	1.28	0.38	3.08	3.22	7.96
Deletions	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>1.28</b>	<b>0.38</b>	<b>3.08</b>	<b>3.22</b>	<b>7.96</b>
Depreciation for the year	1.67	0.45	5.67	8.39	16.18
Deletions	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>2.95</b>	<b>0.83</b>	<b>8.75</b>	<b>11.61</b>	<b>24.14</b>
<b>Net Block</b>					
As at 1 April 2020	-	1.32	5.34	2.37	9.03
As at 31 March 2021	1.69	1.36	8.85	5.57	17.47
As at 31 March 2022	2.04	1.50	10.70	11.79	26.03

\* Deemed cost (refer footnote (v) below). Also refer note 44 for details regarding first time adoption of Ind AS.

#### Notes:

- The Company has created a charge on its property, plant and equipment for its borrowings (refer to note 18)
- The Company does not own any immovable property.
- The Company has not revalued its property, plant and equipment.
- For details of contractual commitment with respect to property, plant and equipment refer note 34.
- Reconciliation of deemed cost to values under previous GAAP:

Particulars	Plant and Equipment	Furniture and fixtures	Office equipment	Computers	Total
Gross block as at 01 April 2020	-	1.81	7.16	5.21	14.18
Accumulated depreciation as at 01 April 2020	-	(0.49)	(1.82)	(2.84)	(5.15)
<b>Deemed cost as at 01 April 2020</b>	<b>-</b>	<b>1.32</b>	<b>5.34</b>	<b>2.37</b>	<b>9.03</b>

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 4 RIGHT-OF-USE ASSETS

	Buildings	Total
<b>Gross block</b>		
As at 1 April 2020	63.57	63.57
Additions	64.88	64.88
Deletions	(0.87)	(0.87)
As at 31 March 2021	127.58	127.58
Additions	86.42	86.42
Deletions	(20.42)	(20.42)
As at 31 March 2022	193.58	193.58
<b>Accumulated depreciation</b>		
As at 1 April 2020	9.73	9.73
Depreciation for the year	21.44	21.44
Deletions	(0.87)	(0.87)
As at 31 March 2021	30.30	30.30
Depreciation for the year	44.74	44.74
Deletions	(11.82)	(11.82)
As at 31 March 2022	63.22	63.22
<b>Net Block</b>		
As at 1 April 2020	53.84	53.84
As at 31 March 2021	97.28	97.28
As at 31 March 2022	130.36	130.36

#### Notes:

- (i) The Company has lease contracts for premises obtained for warehousing and office purposes. Leases of premises generally have lease terms between 2 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.
- (ii) Refer note 19 for disclosures pertaining to lease liabilities.
- (iii) The following amounts are recognised in the profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation expenses of right of use assets (refer note 30)	44.74	21.44
Interest expenses on lease liabilities (refer note 19(ii))	10.81	5.53
Expenses relating to short term leases (refer note 31)	16.06	7.33

- (iv) The lease agreements for immovable properties where the Company is the lessee are duly executed in favour of the Company.
- (v) The Company has not revalued its Right-of-use assets.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 5 OTHER INTANGIBLE ASSETS

	Brands	Total
<b>Cost</b>		
As at 1 April 2020	-	-
Additions	51.50	51.50
Deletions	-	-
As at 31 March 2021	51.50	51.50
Additions	-	-
Deletions	-	-
As at 31 March 2022	51.50	51.50
<b>Accumulated amortisation</b>		
As at 1 April 2020	-	-
Amortisation for the year	2.58	2.58
Deletions	-	-
As at 31 March 2021	2.58	2.58
Amortisation for the year	4.89	4.89
Deletions	-	-
As at 31 March 2022	7.47	7.47
<b>Net Block</b>		
As at 1 April 2020	-	-
As at 31 March 2021	48.92	48.92
As at 31 March 2022	44.03	44.03

**Note:**

- (i) During the year ended 31 March 2021, the Company has purchased "RedGear" brand from Redwood Interactive, a partnership firm in which a Key Management Personnel of the Company (Mr. Sameer Mehta - Director) is having significant influence, for a total consideration of Rs. 50 million (Refer note 37 for details of related party transactions). Stamp duty expense of Rs. 1.5 million has been capitalised in the cost of brand. The useful life of the said brand is estimated at 10 years from the date from when the brand is available for use i.e. the date of purchase.
- (ii) The Company has not revalued its intangible assets.

	Total
<b>Intangible Assets under Development</b>	
As at 1 April 2020	-
Additions	-
Capitalised during the year	-
As at 31 March 2021	-
Additions	81.67
Capitalised during the year	-
As at 31 March 2022	81.67

**(a) Ageing schedule for Intangible Assets under development**

Intangible assets under development	Ageing - Other intangible asset under development				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	81.67	-	-	-	81.67
Projects temporarily suspended	-	-	-	-	-

(b) For Intangible assets under development, none of the assets are overdue for completion or has exceeded its cost compared to its original plan.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 6 Investment in Subsidiaries and Associate

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current</b>			
<b>Unquoted</b>			
<b>Investment in Equity Instruments (measured at cost)</b>			
<b>Investment in Subsidiary Companies</b>			
9,999 (31 March 2021: NIL; 01 April 2020 : NIL)	0.10	-	-
Equity shares of Dive Marketing Private Limited (Subsidiary company) having face value Rs 10 each, fully paid up			
3,10,10,000 (31 March 2021: NIL; 01 April 2020 : NIL)	310.10	-	-
Equity shares of HOB Ventures Private Limited (Subsidiary company) having face value Rs 10 each, fully paid up			
2,60,60,000 (31 March 2021: NIL; 01 April 2020 : NIL)	1,949.29	-	-
Equity shares of Imagine Marketing Singapore Pte Ltd (Subsidiary company) having face value USD 1 (at Rs. 74.80/ USD) each, fully paid up			
10,000 (31 March 2021: NIL; 01 April 2020 : NIL)	77.25	-	-
Equity shares of Kaha Technologies Private Limited (Subsidiary company) having face value Rs 10 each, fully paid up			
<b>Investment in Associate Company</b>			
3,703 (31 March 2021: 3,703; 01 April 2020 : 3,703)	50.00	50.00	50.00
Equity shares of Sirena Labs Private Limited (Associate company) having face value Rs 10 each, fully paid up			
Less: Loss allowance (provision for impairment) (Refer note 41) #	(50.00)	(50.00)	-
<b>Total</b>	<b>2,336.74</b>	<b>-</b>	<b>50.00</b>

#### Note:

- (i) The Company assessed the recoverability of the investment made in the equity shares of Sirena Labs Private Limited. Since the probability of recovery of the value of investment was considered to be remote, the management recognised a full provision for impairment as at 31 March 2021. This is settled subsequent to balance sheet date vide settlement agreement dated 31 May 2022
- (ii) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (iii) Refer note 35 - Financial instruments, fair values and risk measurement for fair valuation methodology.

#### 7 OTHER INVESTMENTS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current</b>			
<b>Investments measured at fair value through profit or loss (Quoted)</b>			
Investments in Mutual Funds *	26.98	24.48	23.31
<b>Total</b>	<b>26.98</b>	<b>24.48</b>	<b>23.31</b>
Aggregate amount of quoted investments ( at cost )	24.00	24.00	24.00
Market value of quoted investments	26.98	24.48	23.31
Aggregate amount of unquoted investments	2,386.74	50.00	50.00
Aggregate amount of impairment in value of investments #	(50.00)	(50.00)	-

\* Mutual funds are provided as lien against Citibank cash credit facility (refer note 18 (iv))

#### 8 OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current</b>			
Security deposits	42.71	17.41	14.30
Bank deposits with original maturity of more than 12 months and remaining maturity of more than 12 months			-
<b>Total</b>	<b>42.71</b>	<b>17.41</b>	<b>14.30</b>
<b>Current</b>			
Security deposits	1.08	2.48	0.45
Bank deposits with original maturity of more than 12 months but remaining maturity of less than 12 months	2,436.19	-	-
Others (including interest receivable)	88.30	5.34	1.80
Allowance for interest receivable on trade advance considered doubtful	(1.77)	(1.77)	-
<b>Total</b>	<b>2,523.80</b>	<b>6.05</b>	<b>2.25</b>

#### (i) Details of lien against bank deposits:

Security lien towards RBL working capital demand loan	51.19	-	-
Security lien towards ICICI cash credit facility and working capital demand loan	1,100.00	-	-
Security lien towards HDFC working capital demand loan	60.00	-	-
Security lien towards HSBC working capital demand loan and overdraft facility	1,150.00	-	-
Security lien towards SCB working capital demand loan	75.00	-	-
<b>Total</b>	<b>2,436.19</b>	<b>-</b>	<b>-</b>

#### (ii) The movement in allowance for interest receivable on trade advance is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Balance as at beginning of the year	1.77	-	-
Change in allowance during the year	-	1.77	-
Written off during the year	-	-	-
<b>Balance as at the end of the year</b>	<b>1.77</b>	<b>1.77</b>	<b>-</b>

Refer note 35 - Financial instruments, fair values and risk measurement



## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 10 OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
<i>Unsecured, considered good unless otherwise stated</i>			
Advances other than capital advances			
Advances to vendors	1,696.85	532.82	206.44
Less: Provision for doubtful advances	(58.63)	(28.63)	-
Return asset *	390.50	233.06	58.34
Prepaid Expenses	22.93	4.91	3.89
Balances with Government Authorities			
- Goods and Services Tax credit receivable	722.67	437.09	78.29
- Custom Duty	45.31	34.63	14.72
- Sales Tax/ Value Added Tax	0.06	0.06	0.06
<b>Total</b>	<b>2,819.69</b>	<b>1,213.94</b>	<b>361.74</b>

\* Return Asset: Customers of the Company have right to return in case of any defects or on grounds of quality. The Company uses expected value method to estimate the goods that will be returned. For goods that are expected to be returned, instead of revenue, Company recognize a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer.

**Note:** There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

#### 11 INVENTORIES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Stock-in-trade	5,457.34	3,088.23	749.58
<b>Total</b>	<b>5,457.34</b>	<b>3,088.23</b>	<b>749.58</b>

(i) For mode of valuation, refer note 2 (f) of significant accounting policies

(ii) The above includes goods in transit of Rs. 808.52 million (31 March 2021: Rs. 279.67 million, 1 April 2020: Rs. 167.43 million)

(iii) Value of inventories above is stated after provisions for slow-moving and obsolete items of Rs. 86.61 million (31 March 2021: Rs. 168.30 million, 1 April 2020: Rs. 45.95 million).

(iv) During the year an amount of Rs. 702.82 million (31 March 2021: Rs. 52.79 million; 01 April 2020 : Rs. 95.20 million) has been charged off to statement of profit and loss on account of cost of goods that have been scrapped. These goods are adjusted against warranty liability of the Company.

(v) The Company has created a charge on its inventories for its borrowings (refer to note 18)

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 12 TRADE RECEIVABLES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
Trade Receivables considered good – Secured	-	-	-
Trade Receivables considered good – Unsecured	3,265.87	777.43	561.56
Trade Receivables which have significant increase in credit risk - Unsecured	-	-	-
Trade Receivables – credit impaired - Unsecured	2.64	11.49	54.85
Less: Allowance for expected credit loss	(41.14)	(34.09)	(63.66)
<b>Total</b>	<b>3,227.37</b>	<b>754.83</b>	<b>552.75</b>
<b>Category wise details of allowance for expected credit loss</b>			
Allowance for expected credit loss for Trade Receivables considered good – Unsecured	2.64	11.49	54.85
Allowance for expected credit loss for Trade Receivables – credit impaired - Unsecured	38.50	22.60	8.81
	<b>41.14</b>	<b>34.09</b>	<b>63.66</b>

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Refer note 35 - Financial instruments, fair values and risk measurement

- (i) There are no debt which are due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member for the year ended 31 March 2022, 31 March 2021 and 1 April 2020.

#### (ii) Trade receivables from related parties:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Trade receivables from related parties	2.64	6.46	4.56
Less: Allowance for expected credit loss	(2.64)	(2.64)	-
	<b>-</b>	<b>3.82</b>	<b>4.56</b>

Refer note 37 - Related party disclosures

#### (iii) The movement in allowance for expected credit loss is as follows:

Particulars	As at 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
<b>Balance as at beginning of the year</b>	<b>34.09</b>	<b>63.66</b>	<b>5.48</b>
Change in allowance during the year	7.05	(14.33)	58.18
Written back during the year	-	(15.24)	-
<b>Balance as at the end of the year</b>	<b>41.14</b>	<b>34.09</b>	<b>63.66</b>

#### (iv) Ageing for trade receivables from the due date of payment for each of the category is as follows:

Trade receivables ageing schedule as at 31 March 2022	Outstanding for following periods from due date of payment						Total
	Current (not past due)	Less than 6 months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	1,712.22	1,546.07	1.47	5.84	0.28	0.00	3,265.87
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	0.12	2.52	-	2.64
	<b>1,712.22</b>	<b>1,546.07</b>	<b>1.47</b>	<b>5.96</b>	<b>2.80</b>	<b>0.00</b>	<b>3,268.51</b>
Allowance for expected credit loss	-	(30.92)	(1.47)	(5.96)	(2.80)	(0.00)	(41.14)
	<b>1,712.22</b>	<b>1,515.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,227.37</b>

Note: There are no unbilled dues as at 31 March 2022

Trade receivables ageing schedule as at 31 March 2021	Outstanding for following periods from due date of payment						Total
	Current (not past due)	Less than 6 months	6 Months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	425.03	342.29	8.16	1.95	-	-	777.43
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	8.85	-	-	8.85
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	0.12	2.52	-	-	2.64
	<b>425.03</b>	<b>342.29</b>	<b>8.28</b>	<b>13.32</b>	<b>-</b>	<b>-</b>	<b>788.92</b>
Allowance for expected credit loss	-	(12.49)	(8.28)	(13.32)	-	-	(34.09)
	<b>425.03</b>	<b>329.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>754.83</b>

Note: There are no unbilled dues as at 31 March 2021

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 13 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Cash on hand*	0.72	0.07	0.01
Balances with banks			
In current accounts	301.50	42.00	73.14
In deposits with original maturity of less than 3 months	-	1,401.86	-
<b>Total</b>	<b>302.22</b>	<b>1,443.93</b>	<b>73.15</b>

\* Cash on hand includes balances in digital wallets of Rs. 0.69 millions (31 March 2021 : Nil, 01 April 2020 : Nil)

Refer note 35 - Financial instruments, fair values and risk measurement

#### Note:

Details of lien against fixed deposits:

Security lien towards RBL cash credit facility

Security lien towards HSBC working capital demand loan

-	-	-
-	-	-
-	-	-

#### 14 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Balances with banks to the extent held as security against the borrowings			
Fixed deposits with original maturity of more than 3 months but less than 12 months	1,575.84	45.00	12.50
<b>Total</b>	<b>1,575.84</b>	<b>45.00</b>	<b>12.50</b>

Refer note 35 - Financial instruments, fair values and risk measurement

#### Note:

Details of lien against fixed deposits:

Security lien towards RBL working capital demand loan

Security lien towards ICICI cash credit facility and working capital demand loan

Security lien towards HDFC working capital demand loan

Security lien towards Citi Bank working capital demand loan

Security lien towards HSBC working capital demand loan and overdraft facility

Security lien towards SCB working capital demand loan

25.84	25.00	12.50
-	10.00	-
-	10.00	-
550.00	-	-
1,000.00	-	-
-	-	-
<b>1,575.84</b>	<b>45.00</b>	<b>12.50</b>

#### 15 LOANS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
Loan to employees			
Loans Receivables considered good – Secured	-	-	-
Loans Receivables considered good – Unsecured	7.21	0.59	0.93
Loans Receivables which have significant increase in credit risk	-	-	-
Loans Receivables – credit impaired	-	-	-
Loan to subsidiary Company	27.00	-	-
<b>Total</b>	<b>34.21</b>	<b>0.59</b>	<b>0.93</b>

Refer note 35 - Financial instruments, fair values and risk measurement

#### Notes:

- (i) There are no loans due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.
- (ii) Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.
- (iii) Loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
- (a) repayable on demand; or
- (b) without specifying any terms or period of repayment \*

Particulars	As at 31 March 2022 Amount outstanding	% of total	As at 31 March 2021 Amount outstanding	% of total	As at 1 April 2020 Amount outstanding	% of total
<b>Type of Borrower</b>						
Promoters	-	-	-	-	-	-
Directors	-	-	-	-	-	-
Key management personnel (KMP)	-	-	-	-	-	-
Related party (Subsidiary)	27.00	78.91%	-	-	-	-

\* There are no loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are without specifying any terms or period of repayment.

- (iv) There are no advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
- (a) repayable on demand; or
- (b) without specifying any terms or period of repayment

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 9 INCOME TAXES

#### A. Components of income tax expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>I. Tax expense recognised in Profit and Loss</b>		
<b>Current Tax Expense</b>		
Current tax on profits for the year	306.50	325.16
Adjustments for the current tax of prior periods	0.38	2.17
<b>Total Current Tax Expense</b>	<b>306.88</b>	<b>327.33</b>
<b>Deferred Tax Expense</b>		
Origination and reversal of temporary differences	(4.66)	(10.51)
<b>Total Deferred Tax Expense</b>	<b>(4.66)</b>	<b>(10.51)</b>
<b>Income tax expenses recognised in profit and loss</b>	<b>302.22</b>	<b>316.82</b>
<b>II. Tax expense recognised in Other Comprehensive Income</b>		
<b>Deferred Tax Expense</b>		
Net (loss)/gain on remeasurements of defined benefit plans	(0.53)	(0.00)
<b>Income tax expenses recognised in other comprehensive income</b>	<b>(0.53)</b>	<b>(0.00)</b>
<b>III. Tax expense recognised in Equity</b>		
<b>Deferred Tax Expense</b>		
Liability component of CCPS	-	(16.44)
<b>Income tax expenses recognised in equity</b>	<b>-</b>	<b>(16.44)</b>

#### B. Reconciliation of Effective Tax Rate

The reconciliation between the statutory income tax rate applicable and the effective income tax rate is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Statutory income tax rate applicable for the year</b>	<b>25.17%</b>	<b>25.17%</b>
<i>Differences due to:</i>		
Expenses not deductible for tax purposes	2.52%	1.51%
Impact of adjustments for the current tax of prior periods	0.03%	0.18%
Others	-	0.09%
<b>Effective tax rate</b>	<b>27.72%</b>	<b>26.95%</b>

#### C. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Deferred Tax Assets</b>		
Lease liabilities	34.14	25.58
Provisions for employee benefits	5.91	1.93
Allowance for expected credit loss	25.56	16.23
Investments in equity instruments measured at FVTPL	-	-
Security deposits	-	0.64
Others	-	7.80
<b>Total Deferred Tax Assets (A)</b>	<b>65.61</b>	<b>52.18</b>
<b>Deferred Tax Liabilities</b>		
Property, plant and equipment	(0.04)	(1.46)
Right-of-use assets	(32.81)	(24.48)
Investments in equity instruments measured at FVTPL	(0.75)	(0.14)
Security deposits	(0.72)	-
Liability component of CCPS	-	-
<b>Total Deferred Tax Liabilities (B)</b>	<b>(34.32)</b>	<b>(26.08)</b>
<b>Net Deferred Tax Assets / (Liabilities) (A-B)</b>	<b>31.29</b>	<b>26.10</b>

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 9 INCOME TAXES (CONTINUED)

##### C. Deferred tax assets and liabilities (Continued)

##### (i) Movements in Deferred Tax Assets / (Liabilities)

Movements during the year ended 31 March 2022	Opening balance as on 01 April 2021	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2022
Property, plant and equipment	(1.46)	1.42	-	-	(0.04)
Right-of-use assets	(24.48)	(8.33)	-	-	(32.81)
Lease liabilities	25.58	8.56	-	-	34.14
Provisions for employee benefits	1.93	3.45	0.53	-	5.91
Allowance for expected credit loss	16.23	9.33	-	-	25.56
Investments in equity instruments measured at FVTPL	(0.14)	(0.61)	-	-	(0.75)
Security Deposits	0.64	(1.36)	-	-	(0.72)
Others	7.80	(7.80)	-	-	-
<b>Total</b>	<b>26.10</b>	<b>4.66</b>	<b>0.53</b>	<b>-</b>	<b>31.29</b>

Movements during the year ended 31 March 2021	Opening balance as on 01 April 2020	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2021
Property, plant and equipment	0.40	(1.86)	-	-	(1.46)
Right-of-use assets	(13.55)	(10.93)	-	-	(24.48)
Lease liabilities	13.82	11.76	-	-	25.58
Compound financial instrument	(18.92)	2.48	-	16.44	-
Provisions for employee benefits	0.73	1.20	0.00	-	1.93
Allowance for expected credit loss	16.02	0.21	-	-	16.23
Investments in equity instruments measured at FVTPL	0.20	(0.34)	-	-	(0.14)
Security Deposits	0.45	0.19	-	-	0.64
Others	-	7.80	-	-	7.80
<b>Total</b>	<b>(0.85)</b>	<b>10.51</b>	<b>0.00</b>	<b>16.44</b>	<b>26.10</b>

##### D. Tax assets and liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current tax assets (net)</b>			
Advance tax and tax deducted at source, net of provision for tax	81.72	0.04	8.29
<b>Current tax liabilities (net)</b>			
Provision for tax, net of advance tax and tax deducted at source.	-	95.45	94.84

During the year ended 31 March 2022 and 31 March 2021, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>AUTHORISED SHARE CAPITAL</b>						
Equity shares of Re 1 each (Previous Year of Rs. 10 each) *	14,64,68,000	146.47	1,45,09,400	145.09	60,000	0.60
Preference shares of Rs 10 each	5,35,200	5.35	30,000	0.30	10,000	0.10
Preference shares of Rs 6,000 each	18,929	113.57	20,000	120.00	-	-
<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>						
<b>Equity share capital</b>						
Equity shares of Re 1 each (Previous Year of Rs. 10 each) *	9,60,30,300	96.04	45,066	0.45	50,000	0.50
		<b>96.04</b>		<b>0.45</b>		<b>0.50</b>
<b>Instruments entirely Equity in nature</b>						
Preference shares of Rs 10 each	5,10,000	5.10	5,109	0.05	-	-
Preference shares of Rs 6,000 each	17,269	103.61	15,507	93.04	-	-
		<b>108.71</b>		<b>93.09</b>		-
<b>Total</b>		<b>204.75</b>		<b>93.54</b>		<b>0.50</b>

\* Pursuant to the resolutions passed by the Board of Directors on 15 December 2021 and the shareholders on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share.

#### (a) Reconciliation of the number of shares

Particulars	Equity shares		Series A CCPS		Series B CCPS	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>As at 1 April 2020</b>	<b>50,000</b>	<b>0.50</b>	-	-	-	-
Shares reclassified from equity component of compound financial instrument @	-	-	5,109	0.05	-	-
Shares issued during the year	-	-	-	-	15,507	93.04
Shares bought back during the year (Refer note 16 (f))	(4,934)	(0.05)	-	-	-	-
<b>As at 31 March 2021</b>	<b>45,066</b>	<b>0.45</b>	<b>5,109</b>	<b>0.05</b>	<b>15,507</b>	<b>93.04</b>
Conversion of preference shares to equity shares	2,559	0.03	(2,559)	(0.03)	-	-
Bonus shares issued during the year	94,77,375	94.77	5,07,450	5.08	-	-
Equity shares arising on share split from Rs. 10 to Re. 1 per share *	8,57,25,000	-	-	-	-	-
Issue of Equity Shares on exercise of employee stock option	3,16,800	0.32	-	-	-	-
Shares issued during the year on private placement basis	4,63,500	0.46	-	-	1,762	10.57
<b>As at 31 March 2022</b>	<b>9,60,30,300</b>	<b>96.04</b>	<b>5,10,000</b>	<b>5.10</b>	<b>17,269</b>	<b>103.61</b>

\* Pursuant to the resolutions passed by the Board of Directors on 15 December 2021 and the shareholders on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share. There is no impact on the value of equity share capital.

Equity shares represents equity shares of Rs 1 each, fully paid up

Series A CCPS represents 0.01% Non-cumulative compulsorily convertible preference shares of Rs 10 each, fully paid up

Series B CCPS represents 0.01% Cumulative compulsorily convertible preference shares of Rs 6,000 each, fully paid up

@ 5,109 Compulsorily Convertible Preference Shares of Rs. 10 each were classified as compound financial instrument on the date of issue. Subsequently, with effect from 5 January 2021, the same have been reclassified as Instrument completely in the nature of Equity. (refer note 16(h) for further details)

#### (b) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held and after payment to the secured and unsecured loan.

#### (c) Rights, preferences and restrictions attached to preference shares:

The Company has two classes of preference shares i.e. 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each ('Series A CCPS') and 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each ('Series B CCPS').

Series A CCPS comprises Series A CCPS and Series A1 CCPS, both convertible at a ratio of 1:1 (that is 1 Equity Share shall be issued upon conversion of 1 Preference Share), having a right to preferred non-cumulative dividend of 0.01% per annum and of the par value of Rs 10 each in the capital of the Company. Each Preference Share may be converted into Equity Shares at any time at the option of the holder of that Preference Share and/or if mandated by applicable laws.

Subject to applicable Laws, the preference shares shall be automatically converted into equity shares in the ratio of 1 Equity Share for 1 Preference Share ('Conversion Ratio'), upon the earlier of (i) expiry of 19 years and 9 months from the Closing Date or (ii) in connection with an IPO, prior to the filing of a red-herring prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

Series B CCPS comprises Series B CCPS and Series B1 CCPS, both cumulative participating compulsorily and fully convertible preference shares having a face value of Rs. 6,000 each, convertible at a ratio of 1:2000 \* (that is 2000 Equity Share shall be issued upon conversion of 1 Preference Share), having a right to preferred cumulative dividend of 0.01% per annum and of the par value of Rs 6,000 each in the capital of the Company. Each Preference Share may be converted into Equity Shares at any time at the option of the holder of that Preference Share and/or if mandated by applicable laws.

Subject to applicable Laws, the preference shares shall be automatically converted into equity shares in the ratio of 2000 Equity Share for 1 Preference Share ('Conversion Ratio'), upon the earlier of (i) expiry of 19 years and 9 months from the Closing Date; or (ii) in connection with an IPO, prior to the filing of a red-herring prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

\* As per the original terms of Series B CCPS, the conversion ratio was 1:1 (that is 1 Equity Share shall be issued upon conversion of 1 Preference Share). During the year ended 31 March 2022, pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS and the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share the Company adjusted the conversion price for Series B CCPS in accordance with their terms of issuance as set out in the articles of association and the amended and shareholders agreement dated 9 April 2021 from Rs. 283,749 to Rs. 141.88. Accordingly, the revised conversion ratio is 1:2000.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE (CONTINUED)

##### (d) Details of shareholders more than 5% shares of a class of shares in the Company:

Particulars	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number of shares	% in shares	Number of shares	% in shares	Number of shares	% in shares
<b>Equity shares</b>						
Mr. Sameer Mehta	3,83,70,000	39.96%	19,185	42.57%	25,000	50.00%
Mr. Aman Gupta	3,83,70,000	39.96%	19,185	42.57%	25,000	50.00%
South Lake Investment Ltd	1,85,10,000	19.28%	6,696	14.86%	-	-
<b>Series A CCPS</b>						
Fireside Ventures Investment Fund - I	5,10,000	100.00%	2,550	49.91%	5,109	100.00%
South Lake Investment Ltd	-	0.00%	2,559	50.09%	-	-
<b>Series B CCPS</b>						
South Lake Investment Ltd	15,507	89.80%	15,507	100.00%	-	-
Qualcomm Ventures LLC	1,762	10.20%	-	-	-	-

During the year ended 31 March 2021, South Lake Investment Ltd bought the following shares directly from other existing shareholders:

- 3,348 equity shares of Rs 10 each from Mr. Sameer Mehta
- 3,348 equity shares of Rs 10 each from Mr. Aman Gupta
- 2,559 Series A CCPS from Fireside Ventures Investment Fund - I

##### (e) Shares reserved for issue under options and contracts:

Particulars	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Under Employee Stock Option Plan 2019:</b>						
Equity shares of Re 1 each, at exercise price of Rs 30.27 per share (Previous years: Rs 60,533 per share) *	7,53,200	0.75	744	0.01	256	0.00
Equity shares of Re 1 each, at exercise price of Rs 141.88 per share	23,83,150	2.38	-	-	-	-
<b>Under Employee Stock Option Plan 2021:</b>						
Equity shares of Re 1 each, at exercise price of Rs 141.88 per share (Previous years: Rs 283,749 per share) *	54,98,000	5.50	2,749	0.03	-	-
<b>Right to subscribe to Innoven Capital India Private Limited</b>						
Equity Share of Re. 1 each, Nil (Previous years: Equity shares of Rs. 10 each, at an exercise price of Rs 86,306 per share) *	-	-	232	0.00	232	0.00
<b>For 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each</b>						
Equity shares of Re 1 each *	51,00,000	5.10	5,109	0.05	5,109	0.05
<b>For 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each</b>						
Equity shares of Re 1 each *	3,45,38,000	34.54	15,507	0.16	-	-

\* Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the number of options and the exercise price per share have also been adjusted accordingly, i.e. number of options have been multiplied by 200 and the exercise price per share has been divided by 200.

Terms attached to the Compulsorily Convertible Preference Shares are described in note 16 (c).

Terms attached to the Employee Stock Options granted to the employees are described in note 40 regarding Employee share based payments.

##### (f) During the period of five years immediately preceding the reporting date:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Aggregate number and class of shares allotted as fully paid up by way of bonus shares</b>			
Equity shares of Re 1 each (Previous Year of Rs. 10 each) @	94,77,375	-	-
0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each #	5,07,450	-	-
<b>Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:</b>			
Equity shares of Re 1 each (Previous Year of Rs. 10 each) *	4,934	4,934	-

@ During the year ended 31 March 2022, the Company has issued bonus shares in the ratio of 1:199 ( i.e. 199 new bonus shares for every 1 share held by the holder) credited as fully paid up, to the eligible equity shareholders of Equity Shares of Rs. 10 each and whose names appear in the Register of Members / Beneficial Owners' position of the Company on 13 May, 2021 ("Record Date").

# During the year ended 31 March 2022, the Company has issued bonus shares in the ratio of 1:199 ( i.e. 199 new bonus shares for every 1 share held by the holder) credited as fully paid up, to the eligible shareholders 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each and whose names appear in the Register of Members / Beneficial Owners' position of the Company on 13 May, 2021 ("Record Date").

Pursuant to the aforementioned Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS and the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share, the Company adjusted the conversion price for Series B CCPS in accordance with their terms of issuance as set out in the articles of association and the amended and shareholders agreement dated April 9, 2021, from Rs. 283,749 to Rs. 141.88.

\* During the year ended 31 March 2021, the Company bought back 4,934 equity shares of Rs 10 each, fully paid up at a price of Rs. 283,138.31 per equity share for an amount of Rs.1,135,502,418 from Mr. Sameer Mehta (2,467 equity shares) and Mr. Aman Gupta (2,467 equity shares).

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE (CONTINUED)

##### (g) Details of shares by the Promoter's of the Company:

	As at 31 March 2022	% in the class	As at 31 March 2021	% in the class	% change during the period
Number of shares			Number of shares		
<b>Equity shares of Rs each fully paid up held by:</b>					
Mr. Sameer Mehta	3,83,70,000	39.96%	19,185	42.57%	199900.00% *
Mr. Aman Gupta	3,83,70,000	39.96%	19,185	42.57%	199900.00% *

\* Change during the year is on account of bonus shares issued and share split from Rs. 10 each to Re. 1 each

	As at 31 March 2021	% in the class	As at 1 April 2020	% in the class	% change during the period
Number of shares			Number of shares		
<b>Equity shares of Rs each fully paid up held by:</b>					
Mr. Sameer Mehta	19,185	42.57%	25,000	50.00%	-23.26% @
Mr. Aman Gupta	19,185	42.57%	25,000	50.00%	-23.26% @

@ Change during the year is on account of 2,467 equity shares bought back by the Company from each promoter and sale of 3,348 equity shares by each promoter to South Lake Investments Ltd

##### (h) Agreements with Shareholders:

###### During the year ended 31 March 2022:

- (i) Pursuant to a Shareholders Agreement (SHA) dated 9 April 2021 entered into by and between Imagine Marketing Private Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2), Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd and Qualcomm Ventures LLC and the Share Subscription Agreement (SSA) dated 9 April 2021 entered into by and between Imagine Marketing Private Limited, the Promoters, Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd and Qualcomm Ventures LLC, the Company issued 1,762 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each to Qualcomm Ventures LLC on 20 April 2021 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received Rs. 499.96 million the details of which are included in the table below:

Type of share	Face value per share	Issue price per share	Premium on issue per share	No. of shares	Total amount in Rs. million
0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each (Series B1 CCPS)	6,000.00	2,83,749.00	2,77,749.00	1,762.00	499.96

Pursuant to the SHA dated 9 April 2021 as mentioned above, the conversion ratio of the Series B1 CCPS was determined to be 1:1. Accordingly, Series B1 CCPS were considered to be "Instrument entirely Equity in nature" as at the transaction date.

- (ii) Innoven Capital India Private Limited has exercised the right to subscribe shares of the Company provided as part of the loan agreement. Pursuant to this, the Company has issued 463,500 equity shares of Re 1 each, fully paid to Innoven Capital India Private Limited at an exercise price of Rs 43.15 per equity share totalling to Rs. 20.00 million.

###### During the year ended 31 March 2021:

- (i) Pursuant to a Shareholders Agreement (SHA) dated 14 December 2020 entered into by and between Imagine Marketing Private Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2), Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust) and South Lake Investments Ltd and the Share Subscription Agreement (SSA) dated 14 December 2020 entered into by and between Imagine Marketing Private Limited, the Promoters Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust) and South Lake Investments Ltd, the Company issued 15,507 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each to South Lake Investments Ltd on 5 January 2021 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received Rs. 4,400.10 million the details of which are included in the table below:

Type of share	Face value per share	Issue price per share	Premium on issue per share	No. of shares	Total amount in Rs. million
0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each (Series B CCPS)	6,000	2,83,749	2,77,749	15,507	4,400.10

Pursuant to the SHA dated 14 December 2020 as mentioned above, the conversion ratio of the Series B CCPS was determined to be 1:1. Accordingly, Series B CCPS were considered to be "Instrument entirely Equity in nature" as at the transaction date.

- (ii) During the year ended 31 March 2021, Fireside Ventures Investment Fund - I waived off the right to the Exit clause as mentioned in the SHA dated 4 April 2018 and 31 December 2018 respectively. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature".



## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 17 OTHER EQUITY

##### A. Summary of Other Equity balance:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Equity component of compound financial instruments	-	-	69.34
Securities Premium	3,704.85	3,289.98	-
Debt Redemption Reserve	-	-	11.25
Capital Redemption Reserve	-	0.05	-
General Reserve	11.25	11.25	-
Share Options Outstanding Account	162.00	14.82	3.00
Retained Earnings	2,018.65	1,232.04	637.87
<b>Total Other Equity</b>	<b>5,896.75</b>	<b>4,548.14</b>	<b>721.46</b>
<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 1 April 2020</b>
<b>Equity component of compound financial instruments</b>			
Balance at the beginning of the year	-	69.34	65.88
Add: Reversal of deferred tax originally recognised on equity component of compound financial instrument due to tax rate change	-	-	3.46
Add: Reversal of deferred tax originally recognised on equity component of compound financial instrument on reclassification	-	16.44	-
Less: Reclassification of equity component of CCPS from Other equity to Instruments entirely Equity in nature	-	(85.78)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>69.34</b>
<b>Securities Premium</b>			
Balance at the beginning of the year	3,289.98	-	-
Add: Addition during the year on account of new issue of CCPS	489.39	4,307.05	-
Add: Addition during the year on account of change in classification of compound financial instrument	-	209.95	-
Add: Addition during the year on account of new issue of Equity Shares	19.54	-	-
Add: Addition during the year on account of issue of equity shares on exercise of employee stock options	17.81	-	-
Less: Expenses incurred directly in connection with issue of CCPS	(12.07)	(91.52)	-
Less: Securities premium utilised for buy back of equity shares	-	(1,135.45)	-
Less: Securities premium transferred to capital redemption account on buy back of equity shares (refer note i below)	-	(0.05)	-
Less: Utilised for issue of bonus shares	(99.80)	-	-
<b>Balance at the end of the year</b>	<b>3,704.85</b>	<b>3,289.98</b>	<b>-</b>
<b>Debt Redemption Reserve</b>			
Balance at the beginning of the year	-	11.25	-
Add: Transferred from retained earnings	-	-	11.25
Less: Transferred to retained earnings (refer note ii below)	-	(11.25)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>11.25</b>
<b>Capital Redemption Reserve</b>			
Balance at the beginning of the year	0.05	-	-
Add: Transferred from securities premium account on buy back of equity shares	-	0.05	-
Less: Utilised for issue of bonus shares	(0.05)	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>0.05</b>	<b>-</b>
<b>General Reserve</b>			
Balance at the beginning of the year	11.25	-	-
Add: Transferred from debt redemption reserve	-	11.25	-
<b>Balance at the end of the year</b>	<b>11.25</b>	<b>11.25</b>	<b>-</b>
<b>Share Options Outstanding Account</b>			
Balance at the beginning of the year	14.82	3.00	-
Add: Charge for the year (Refer note 28)	155.72	11.82	3.00
Less: Issue of equity shares on exercise of employee stock options	(8.54)	-	-
<b>Balance at the end of the year</b>	<b>162.00</b>	<b>14.82</b>	<b>3.00</b>
<b>Retained Earnings</b>			
Balance at the beginning of the year	1,232.04	637.87	164.59
Add: Profit for the year	788.20	858.70	484.65
Less: Transferred to debt redemption reserve	-	-	(11.25)
Less: Buy back distribution tax	-	(264.52)	-
Less: Remeasurement of post employment benefit obligation, net of tax	(1.59)	(0.01)	(0.12)
<b>Balance at the end of the year</b>	<b>2,018.65</b>	<b>1,232.04</b>	<b>637.87</b>

#### Note:

- (i) During the year ended 31 March 2021, an amount of Rs 49,340, being the face value of the shares bought back during the year, was transferred from Securities Premium Account to Capital Redemption Reserve upon buyback in accordance with Section 69 of the Companies Act, 2013.
- (ii) During the year ended 31 March 2021, the Company has paid off all the outstanding debt redemption and accordingly, the debt redemption reserves has been transferred to General Reserve.

#### B. Nature and purpose of reserves:

**Securities Premium** - Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Debt Redemption Reserve** - In order to comply with the requirements of Section 71(4) of the Companies Act, 2013, the Company had created a debt redemption reserve out of the profits of the Company available for payment of dividend, and the amount credited to such account was utilized by the Company for the redemption of debentures.

**Capital Redemption Reserve** - The Company has recognised Capital Redemption Reserve on the buyback of equity shares from its retained earnings. The amount in the Capital Redemption Reserve is equal to the nominal amount of the equity shares bought back.

**General Reserve** - On redemption of the debentures for which the debt redemption reserve was created, the Company has transferred the balance in the debt redemption reserve to the General Reserve.

**Share Options Outstanding Account** - The fair value of the equity-settled share based payment transactions is recognised in Standalone statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

**Retained Earnings** - Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 18 BORROWINGS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current</b>			
<b>Secured, at amortised cost</b>			
14.50% Non-convertible debentures of Rs 100,000 each (refer note i below)	-	-	112.50
Term loan:			
- from other parties (refer note ii below)	-	58.82	18.82
Less: Current maturities of long-term borrowings	-	(58.82)	(131.32)
<b>Unsecured, at amortised cost</b>			
Liability component of compound financial instruments (refer note iii below)	-	-	134.80
<b>Total</b>	<b>-</b>	<b>-</b>	<b>134.80</b>
<b>Current</b>			
<b>Secured, at amortised cost</b>			
Current maturities of long-term borrowings	-	58.82	131.32
Cash credit from banks (refer note iv, v & viii below)	2,086.34	161.78	11.20
Loan repayable on demand:			
- from banks (refer note iv, v, vi, vii, viii & xiii below)	6,000.00	119.73	100.00
- from other parties (refer note ii, ix & x below)	-	75.00	86.05
<b>Unsecured, at amortised cost</b>			
Loan repayable on demand:			
- from related parties (refer note x below)	-	-	7.24
- from banks (refer note iv & xi below)	1,124.98	-	-
- from other parties (refer note xiv below)	-	-	17.50
<b>Total</b>	<b>9,211.32</b>	<b>415.33</b>	<b>353.31</b>

Refer note 35 - Financial instruments, fair values and risk measurement

#### Notes:

- (i) Debentures were obtained by the Company from BAC Acquisition Pvt Ltd on 21 June 2019 and carried an interest rate 14.50% p.a. & redemption premium of Rs. 5.25 million which was paid off in December 2020, against the pledge of 14,480 Equity share (7,240 owned by Mr. Sameer Ashok Mehta and 7,240 owned by Mr. Aman Gupta) having face value of Rs 10 per share. Debentures were repayable in 12 monthly installment amounting of principal repayment of Rs 12.50 million per month from January 2020 to December 2020 plus the interest for number of days of the month and a redemption premium of Rs 5.25 million at the end of the tenure. During the year ended 31 March 2021, all the outstanding debenture were fully repaid and pledge has been released.
- (ii) Secured loan has been obtained by the Company from Innoven Capital India Pvt Ltd towards Term Loan on 18 July 2019 and carries an interest rate 14.75% p.a. (31 March 2021: 14.75% p.a., 01 April 2020: 14.80% p.a.), against the pledge of 7,500 Equity share (31 March 2021: 7,500 Equity share, 01 April 2020: 7,500 Equity share) (3,750 owned by Mr. Sameer Ashok Mehta and 3,750 owned by Mr. Aman Gupta) having face value of Rs 10 per share. Loan of Rs 40 million is repayable in 17 monthly installment amounting of principal repayment of Rs 2.35 million per month from August 2019 and Loan of Rs. 100 million is repayable in 17 monthly installment amounting of principal repayment of Rs 5.88 million per month from September 2020 plus the interest for number of days of the month. The Company has also given first pari passu charge on "boAt" brand and on current assets which shall include current and future fixed and non current assets to Innoven Capital India Pvt Ltd. During the year ended 31 March 2021, the loan amounting to Rs 40 million was fully repaid, and during the year ended 31 March 2022, the loan amounting to Rs 100 million was fully repaid and pledge has been released. The Company has given right to Innoven Capital India Pvt Ltd to purchase preference shares equal to Rs 20 million at Rs 86,306 price per share. The right can be exercised at any time over a period of eight years from the date of issuance. Anti-dilution and liquidation preference rights provided to the same class of shareholders will apply. The right granted shall survive the termination of the loan agreement. During the year ended 31 March 2022, Innoven Capital India Pvt Ltd has exercised its rights and the company has issued 4,63,500 equity shares of face value at the price of Rs 43.15 per share.
- (iii) Refer to note 16 (c) for rights, preferences and restrictions attached to preference shares including the terms of conversion of the liability component of compound financial instruments (Series A CCPS)
- (iv) Cash Credit (CC) facility and working capital demand loan (WC DL) facility from Citi bank has been availed and carries an interest rate mutually agreed between the parties at the time of disbursement which ranges between 6.20% to 6.40% as at 31 March 2022 (31 March 2021: 9.50% p.a., 01 April 2020: 9.75% p.a.), computed on monthly basis on the actual amount utilised to be paid on last date of each month.

The Company has availed an aggregate limit of Rs.1400 million (including, Cash Credit Limit and Working Capital Demand Loan) of which Rs.700 million is secured against hypothecation on current and future stocks and book debts of the Company as well as pledge against fixed deposits. The remaining limit of Rs. 700 million is an unsecured adhoc facility given by the bank.

As at 31 March 2021, there was personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta given as security. Additionally the Company had given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, Innoven Capital and RBL and also have the pledge of 2,500 Equity share (31 March 2021: 2,500 Equity share, 01 April 2020: 2,500 Equity share) (1,250 owned by Mr. Sameer Ashok Mehta and 1,250 owned by Mr. Aman Gupta) having face value of Rs 10 per share. However, during the year ended 31 March 2022, pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released.

The WC DLs generally have a tenure ranging upto 6 months. These cash credit and WC DLs loans are repayable on demand.

- (v) Cash Credit (CC) facility and Overdraft facility has been availed by the Company from ICICI bank for meeting the working capital requirements of the Company and carries an interest rate at 1 + MCLR - 6M+0.70% (31 March 2021: 9.25% p.a., 01 April 2020: N.A) and FD rate + 0.50% (31 March 2021: N.A., 01 April 2020: N.A) respectively, computed on monthly basis on the actual amount utilized to be paid on last date of each month against the pledge of current asset receivable and current asset inventory (earlier there was pledge on 1,250 Equity shares; 31 March 2021: 1,250 Equity share, 01 April 2020: N.A) (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta having face value of Rs 10 per share).

During the year ended 31st March 2022, Company has availed WC DL limit of Rs.1000 million as a sublimit of Cash Credit facility secured against hypothecation on current asset receivable and current asset inventory of the Company and interest rate on the same is to be decided at the time of disbursement. Also the Company has availed WC DL limit of Rs.1200 million as a sublimit of Overdraft facility secured against the 100% Fixed Deposit and carries interest rate of FD rate + 0.50%. There is personal guarantee of Directors - Mr. Sameer Ashok Mehta and Mr. Aman Gupta. Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, SCB Bank, Innoven Capital and RBL. Pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released on 12 January 2021. The tenure of the WC DL loans range from 7 days to 180 days.

- (vi) Secured working capital demand loan (sublimit of cash credit facility) has been obtained by the Company from RBL bank against fixed deposit of Rs 75 million (31 March 2021: Rs 25 million, 01 April 2020: N.A) as security. The Company has given RBL First Passu Charge on the entire current and moveable fixed assets of the Company, both present and future. The interest rate are applicable as per disbursement date and the bank reserves the right to charge additional interest at the rate of 2% p.a (31 March 2021: 2%, 01 April 2020: N.A) on occurrence of such events as specified in the agreement. Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, SCB bank, Innoven Capital and RBL and pledge of 3,750 Equity share (31 March 2021: 3,750 Equity share, 01 April 2020: N.A) (1,875 owned by Mr. Sameer Ashok Mehta and 1,875 owned by Mr. Aman Gupta) having face value of Rs 10 per share. There is a personal guarantee of Mr. Sameer Mehta and Mr. Aman Gupta of 4 undated cheques (UDCs) of Rs 5 crores each drawn on Citi Bank. During the year ended 31 March 2022, pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released. The tenure of the WC DL loans ranges upto 3 months and the same is repayable on demand.
- (vii) Secured loan has been obtained by the Company from HDFC bank towards working capital which carries an interest rate 8.00% p.a. linked to 1 year MCLR reset annually (31 March 2021: 8.50% p.a., 01 April 2020: N.A). The Company has given First pari passu charge on entire receivables and on entire inventory of the Company, present and future, to HDFC bank, RBL, Citi Bank and Innoven capital. Also, fixed deposit charge of Rs 60 million (31 March 2021: Rs 10 million, 31 March 2020: N.A) lien marked to HDFC Bank. Additionally, the Company has given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, SCB Bank Innoven Capital and RBL and has pledge 1,250 of Equity share (31 March 2021: 1,250, 31 March 2020: N.A) (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) having face value of Rs 10 per share. During the period ended 31 March 2022, pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released.
- (viii) Overdraft facility has been availed by the Company from HSBC Bank and carries an interest rate mutually agreed per annum which is linked to the prevalent Bank MCLR/3M T-bill against the pledge of current asset receivable and inventory and has placed under lien Fixed Deposits of Rs. 150 million (31 March 2021 : N.A. ; 31 March 2020 : N.A.) and Rs. 2500 million (31 March 2021 : N.A. ; 31 March 2020 : N.A.) as a lien marked towards overdraft-1 facility and overdraft - 2 facility respectively. The tenure of the WC DL loans ranges upto 90 days and the same is repayable on demand.
- (ix) Secured loan was obtained by the Company from TATA Capital Pvt Ltd towards working capital through sales invoice discounting facility of invoices of Flipkart India Pvt Ltd on 2 July 2019 which carries an interest rate 10.90% per annum, against the personal guarantee of Mr. Sameer Ashok Mehta and Mr. Aman Gupta, Loan is repayable as per due dates of invoices of Flipkart and interest on transaction basis for the amount utilised for number of days. The loan was entirely repaid on 8 April 2020 and personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta were released.
- (x) Unsecured loan also included Loan from Directors of Rs 2.50 million (Rs 1.25 million each for Mr. Sameer Mehta and Mr. Aman Gupta) bearing 0% interest rate and Rs 4.74 million from Sameer Mehta bearing 10% interest rate. All the unsecured loan were repaid during the year ended 31 March 2021.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 18 BORROWINGS (CONTINUED)

Notes: (Continued)

- (xi) Unsecured loan has been obtained by the Company from HSBC Bank towards working capital through sales invoice discounting facility of invoices of Appario Retail Private Limited ('Appario') which carries an interest rate 8.00% per annum, Loan is repayable as per due dates of invoices of Appario and interest on transaction basis for the amount utilised for number of days.
- (xii) Secured loan has been obtained by the Company from Standard Chartered Bank towards working capital which carries an interest rate specified by the bank at the time of drawdown ranging 6.10% to 6.95% as at 31 March 2022. The Company has given first pari passu charge on current assets (stock and book debt) and has placed fixed deposits of Rs. 75 million under lien (31 March 2021 : N.A. ; 31 March 2020 : N.A.). The maximum tenure of this loan is 150 days and the same is repayable on demand.
- (xiii) Borrowings from banks and financial institutions have been used for the purpose for which they were obtained.
- (xiv) The Company had other unsecured Loan amounting to Rs 17.50 million in year ended 31 March 2020 obtained from other corporates in the form of Inter Corporate Deposits (ICDs) and loan bearing a interest rate ranging 10-12%. The loan interest and principal amount was repayable on demand on 2 months prior notice. During the year ended 31 March 2021, the Company repaid the entire loan and there are no dues outstanding as at year end.
- (xv) The Company has filed quarterly returns/statements of current assets during the year ended 31 March 2022 with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts. Following are the discrepancies between books of accounts & quarterly statements submitted to banks relating to current assets, where borrowings have been availed based on security of current assets.

Bank	Quarter	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Citi Bank, RBL, HDFC, ICICI	March 2021	Inventory	3,088.23	2,654.27	433.96	Adjustment for goods-in-transit recognised
Citi Bank, RBL, HDFC, ICICI	March 2021	Trade receivables	754.83	1,263.98	(509.15)	Adjustment for reversal of revenue for year end cut off
Citi Bank, RBL, HDFC, ICICI	March 2021	Advance to Vendor	532.82	508.30	24.52	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2021	Inventory	2,720.83	2,488.29	232.55	Adjustment for goods inward and settled subsequently
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2021	Trade receivables	3,006.22	2,962.44	43.78	Adjustment for Advance from Debtors
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2021	Advance to Vendor	2,692.41	2,631.16	61.25	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2021	Inventory	7,323.01	1,715.93	5,607.08	Adjustment for goods-in-transit recognised
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2021	Trade receivables	6,352.63	8,623.95	(2,271.32)	Adjustment for reversal of revenue for period end cut off
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2021	Advance to Vendor	3,117.39	4,673.68	(1,556.29)	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	December 2021	Inventory	7,935.08	6,693.71	1,241.37	Adjustment for goods-in-transit recognised
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	December 2021	Trade receivables	4,286.16	4,242.01	44.15	Adjustment for Advance from Debtors
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	December 2021	Advance to Vendor	1,473.62	1,387.65	85.97	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2022	Inventory	5,457.34	5,551.31	(93.97)	Adjustment for goods-in-transit and provisions recognised
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2022	Trade receivables	3,227.37	3,807.74	(580.37)	Adjustment for reversal of revenue for year end cut off
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2022	Advance to Vendor	1,696.85	1,564.90	131.95	Adjustment for Vendor Advance against Trade Payables

(xvi) The Company has registered all the charges or satisfaction with the Registrar of Companies (ROC) by the statutory date.

(xvii) The company has not been declared a Wilful defaulter.

(xviii) There has been no discrepancy in utilisation of borrowings

(xix) The Company has not obtained any long term borrowings

#### 19 LEASE LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-current</b>			
Lease liabilities payable beyond 12 months	94.30	77.05	41.41
	<b>94.30</b>	<b>77.05</b>	<b>41.41</b>
<b>Current</b>			
Lease liabilities payable within 12 months	41.36	24.57	13.49
	<b>41.36</b>	<b>24.57</b>	<b>13.49</b>

(i) Set out below is the movement in lease liabilities during the period:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
As at 1 April	101.62	54.90	1.43
Add: Addition	80.71	63.80	61.02
Add: Accretion of interest	10.81	5.53	2.89
Less: Deletion due to closure	(13.43)	-	-
Less: Rent waiver	-	(3.35)	-
Less: Payments	(44.05)	(19.26)	(10.44)
<b>Closing balance</b>	<b>135.66</b>	<b>101.62</b>	<b>54.90</b>
Non-Current	94.30	77.05	41.41
Current	41.36	24.57	13.49
<b>Total</b>	<b>135.66</b>	<b>101.62</b>	<b>54.90</b>

(ii) Maturity analysis of lease liabilities (undiscounted basis):

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Not later than one year	41.36	24.57	13.49
Later than one year and not later than five years	103.40	86.39	47.48
Later than five years	-	-	-
<b>Total</b>	<b>144.76</b>	<b>110.96</b>	<b>60.97</b>

(iii) The effective interest rate for lease liabilities is 7.13% as on 31 March 2022 (7.40%, 8.71% as on 31 March 2021 and 01 April 2020 respectively)

(iv) The Company had total cash outflow for leases (including the short-term leases) for 31 March 2022: Rs. 60.11 million (31 March 2021: Rs. 26.59 million, 01 April 2020 : Rs. 12.31 million).

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 20 PROVISIONS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current</b>			
Provision for employee benefits			
- Provision for gratuity (refer note 39)	6.34	2.02	0.79
<b>Total</b>	<b>6.34</b>	<b>2.02</b>	<b>0.79</b>
<b>Current</b>			
Provision for employee benefits			
- Provision for gratuity (refer note 39)	0.12	0.03	0.01
- Provision for compensated absence (refer note 39)	17.04	5.62	1.09
Other provisions			
- Provision for warranties	484.88	181.94	86.00
- Provision for expected return liability	550.00	20.95	89.75
<b>Total</b>	<b>1,052.04</b>	<b>208.54</b>	<b>176.85</b>

The provision for warranties represents management's best estimate of the Company's liability under warranties granted on products, based on prior experience and industry averages.

The provision for expected return liability represents management's best estimate of the Company's liability with respect to the customers contractual right to return goods in case of any defects or on grounds of quality.

#### (i) Movements in Other Provisions

Provision for warranties	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
At the beginning of the year	181.94	86.00	-
Addition during the year	484.88	181.94	86.00
Utilised during the year	(181.94)	(86.00)	-
<b>At the end of the year</b>	<b>484.88</b>	<b>181.94</b>	<b>86.00</b>
Provision for expected return liability	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
At the beginning of the year	20.95	89.75	-
Addition during the year	550.00	20.95	819.21
Utilised during the year	(20.95)	(89.75)	(729.46)
<b>At the end of the year</b>	<b>550.00</b>	<b>20.95</b>	<b>89.75</b>

For movements in provisions for employee benefits, refer Note 39.

The Company does not expect any reimbursements in respect of the above provisions.

#### 21 TRADE PAYABLES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
Total outstanding dues of micro enterprise and small enterprises	24.43	30.57	3.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,164.26	1,175.27	339.62
<b>Total Current Trade Payables</b>	<b>2,188.68</b>	<b>1,205.84</b>	<b>343.50</b>

Trade payables are non-interest bearing and are normally settled on 0 to 30 day terms.

Refer note 35 for information about liquidity risk and market risk of trade payables.

#### (i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises which are also required as per Ind AS Schedule III:

Information has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
The amounts remaining unpaid to micro and small enterprise suppliers as at the end of the period/year			
- Principal	24.43	30.57	3.88
- Interest	-	-	-
The amount of interest paid by the buyer as per MSMED Act, 2006	-	-	-
The amounts of the payments made to micro and small enterprise suppliers beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
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	-	-	-

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 21 TRADE PAYABLES (CONTINUED)

(ii) Ageing for trade payable from the due date of payment for each of the category is as follows:

Trade payables ageing schedule as at 31 March 2022	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	-	8.71	15.66	0.06	-	-	24.43
Undisputed dues of creditors other than micro enterprises and small enterprises	1,201.56	341.10	608.18	13.45	-	-	2,164.29
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>1,201.56</b>	<b>349.80</b>	<b>623.84</b>	<b>13.51</b>	<b>-</b>	<b>-</b>	<b>2,188.72</b>
Trade payables ageing schedule as at 31 March 2021	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	5.22	-	25.32	0.03	-	-	30.57
Undisputed dues of creditors other than micro enterprises and small enterprises	213.71	278.91	679.05	3.60	-	-	1,175.27
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>218.93</b>	<b>278.91</b>	<b>704.37</b>	<b>3.63</b>	<b>-</b>	<b>-</b>	<b>1,205.84</b>

#### 22 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
Interest accrued but not due on borrowings	-	-	2.20
Interest accrued and due on borrowings	3.12	-	-
Redemption premium accrued but not due on debenture	-	-	2.36
Payable to employees	1.21	14.74	5.59
Capital creditors	3.78	16.00	-
<b>Total</b>	<b>8.11</b>	<b>30.74</b>	<b>10.15</b>

Refer note 35 - Financial instruments, fair values and risk measurement

#### 23 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
Contract liability (Advance received from customers)	7.68	60.28	1.32
Statutory dues (includes goods and services tax, tax deducted at source, provident fund, etc.)	28.51	15.61	18.40
Liability towards unspent corporate social responsibility obligation	2.17	7.16	-
<b>Total</b>	<b>38.35</b>	<b>83.05</b>	<b>19.72</b>

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 24 REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	28,707.64	13,137.16
Other Operating Income	21.37	0.87
<b>Total Revenue from Operations</b>	<b>28,729.01</b>	<b>13,138.03</b>

#### (i) Reconciliation of Revenue from sale of products with the contracted price:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contracted Price	36,127.84	16,472.26
Less: Returns	(2,725.27)	(1,238.86)
Less: Discounts	(4,694.93)	(2,096.24)
<b>Sale of products</b>	<b>28,707.64</b>	<b>13,137.16</b>

#### (ii) Contract balances:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contract Liabilities (refer note 23)	7.68	60.28

**Note:** Contract liabilities represent advance received from customers for sale of products at the reporting date.

#### (iii) Movement in contract liabilities during the year:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance as at beginning of the year	60.28	1.32
Revenue recognised that was included in the contract liability balance at the beginning of the year	(60.28)	(1.32)
Advance received during the year	7.68	60.28
<b>Balance as at end of the year</b>	<b>7.68</b>	<b>60.28</b>

#### (iv) Disaggregation of revenue from contracts with customers:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Based on geographies</b>		
Within India	28,707.64	13,137.16
Outside India	-	-
<b>Total</b>	<b>28,707.64</b>	<b>13,137.16</b>
<b>Based on business segments</b>		
Audio	22,760.15	12,285.73
Wearables	5,155.13	548.05
Others	792.36	303.38
<b>Total</b>	<b>28,707.64</b>	<b>13,137.16</b>

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 25 OTHER INCOME

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest Income		
- From Banks (calculated using the effective interest method for financial assets)	96.63	21.38
- From Others	2.15	1.08
Other non-operating income		
- Fair valuation gain from investments designated at FVTPL (net)*	2.51	1.17
- Liabilities no longer required, written back	0.45	0.03
- Provisions no longer required, written back	6.41	14.33
- Gain on derecognition of liability component of CCPS	-	20.43
- Other non-operating income (includes miscellaneous income, etc.)	26.92	7.30
<b>Total</b>	<b>135.07</b>	<b>65.72</b>

\* Fair valuation gain from investments designated at FVTPL includes Rs. Nil (31 March 2021: Rs. Nil) as 'Net gain or loss on sale of investments'.

### 26 PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of stock-in-trade	25,847.78	12,547.02
<b>Total</b>	<b>25,847.78</b>	<b>12,547.02</b>

### 27 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventory at the beginning of the year	3,088.23	749.58
Inventory at the end of the year	5,457.34	3,088.23
<b>Total changes in inventories of stock-in-trade</b>	<b>(2,369.11)</b>	<b>(2,338.65)</b>

### 28 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, stipend, bonus and other allowances	340.72	127.88
Contribution to provident fund and other funds	9.79	3.62
Defined benefit plan expenses (refer note 39)	2.17	1.19
Compensated absence	11.54	4.69
Share based payment expense (refer note 40)	155.72	11.82
<b>Total</b>	<b>519.94</b>	<b>149.20</b>

### 29 FINANCE COSTS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest cost on financial liabilities measured at amortized cost		
- Debentures	-	6.82
- Other borrowings	312.99	74.98
- Liability component of compound financial instruments	-	9.85
- Lease liabilities	10.81	5.53
Interest cost on others		
- Net defined benefit liability (refer note 39)	0.14	0.05
- Others (includes interest on income taxes)	-	15.00
Other borrowing costs (includes processing charges)	8.95	6.55
<b>Total</b>	<b>332.89</b>	<b>118.78</b>

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 30 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation for property, plant and equipment	16.18	7.96
Depreciation of right-of-use assets	44.74	21.44
Amortisation of intangible assets	4.89	2.58
<b>Total</b>	<b>65.81</b>	<b>31.98</b>

### 31 OTHER EXPENSES

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Warranty expenses	1,365.98	527.17
Advertisement and promotion expenses	990.57	478.63
Freight and transportation charges	432.75	217.48
Legal and professional expenses	171.23	61.59
Contract labour charges	93.02	40.96
Payment to auditor (refer note i below)	19.29	3.66
Lease expense	16.06	7.33
Rates, fees and taxes	41.44	12.68
Repair and maintenance expense	24.47	5.05
Royalty Expenses	1.73	-
Expenses towards corporate social responsibility (refer note ii below)	12.97	7.36
Provision for impairment of non-current investment	-	50.00
Provision for loss allowance for trade receivables	7.05	-
Provision for doubtful advances	38.16	28.63
Provision for doubtful interest receivable on trade advance	-	1.77
Miscellaneous expenses	161.63	77.59
<b>Total</b>	<b>3,376.35</b>	<b>1,519.90</b>

#### (i) Payment to Auditor (excluding applicable taxes)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
As auditors:		
- Statutory audit	3.30	2.50
- Limited review	-	1.00
- Certification	0.10	0.05
- Other Services	15.07	-
For reimbursement of expense	0.82	0.11
<b>Total</b>	<b>19.29</b>	<b>3.66</b>

**Note:** The other services includes Rs. 14.77 million fees towards proposed DRHP deliverables.

#### (ii) Expenses towards corporate social responsibility

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Gross amount required to be spent by the Company during the year	12.97	5.82
(b) Actual amount spent by the Company during the year		
Amount spent during the year on (paid in cash) :		
Construction /acquisition of any asset	-	-
On purpose other than above	10.81	0.20
Amount spent during the year on (yet to be paid in cash) :		
Construction /acquisition of any asset	-	-
On purpose other than above (Refer note j below)	2.17	7.16
	<b>12.97</b>	<b>7.36</b>



# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

- (c) Movements in Liability towards unspent corporate social responsibility obligation

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
At the beginning of the year	7.16	-
Add: Provision created during the year	2.17	7.16
Less: Provision utilised during the year	(7.16)	-
<b>At the end of the year</b>	<b>2.17</b>	<b>7.16</b>
(d) Shortfall at the end of the year (paid subsequent to year end) (refer note (i) and (j) below)	-	-
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall	Not Applicable	Not Applicable
(g) Nature of CSR activities includes supply of oxygen cylinders during Covid-19, child educational and talent development and child cancer treatment		
(h) There were no CSR spends which were incurred by the Company through its related party.		
(i) During the year ended 31 March 2021, the Company recorded a provision of Rs 7.16 million (including deficit of FY 2019-20) for unspent corporate social responsibility expenses as at year end and was subsequently deposited in Prime Minister Care Fund on 16 September 2021.		
(j) During the year ended 31 March 2022, the Company recorded a provision of Rs 2.17 million for unspent corporate social responsibility expenses as at year end and was subsequently deposited in Prime Minister Care Fund on 23 September 2022 and 29 September 2022.		
(k) The Company has not spent any excess amount during the year.		
(l) The Company does not have any ongoing projects as at 31 March 2022.		

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 32 EARNING PER SHARE ('EPS')

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Profit attributable to equity holders:</b>		
Basic earnings	788.20	858.70
Add: Interest cost on liability component of compound financial instrument (net of tax)	-	7.37
Adjusted for the effect of dilution	788.20	866.07
<b>Weighted average number of Equity Shares for:</b>		
<b>Basis EPS</b>		
Number of equity shares at the beginning of the year	45,066	50,000
Add: Shares issued on conversion of CCPS during the year	2,559	-
Add: Issue of Equity Shares on exercise of employee stock option	3,16,800	-
Add: Issue of Equity Shares during the year	4,63,500	-
Add: Bonus shares issued during the year *	94,77,375	99,50,000
Add: Equity shares arising on share split from Rs. 10 to Re. 1 per share	8,57,25,000	-
Less: Shares bought back during the year	-	(9,86,800)
Number of equity shares outstanding at the end of the year	9,60,30,300	90,13,200
Number of equity shares outstanding at the end of the year (post share split) @	9,60,30,300	9,01,32,000
Number of instruments completely in the nature of equity at the beginning of the year	20,616	-
Add: Shares issued during the year	1,762	15,507
Add: Instrument classified as completely in the nature of equity during the year	-	5,109
Less: Shares converted into equity shares during the year	(2,559)	-
Add: Bonus shares issued during the year *	5,07,450	10,16,691
Number of equity shares outstanding at the end of the year	5,27,269	10,37,307
Number of equity shares outstanding at the end of the year (post share split) @	52,72,690	1,03,73,070
Total of equity shares and instruments completely in the nature of equity	9,65,57,569	1,00,50,507
Total of equity shares and instruments completely in the nature of equity ((post share split) @)	10,13,02,990	10,05,05,070
Weighted average number of shares outstanding during the year for Basic EPS	13,48,35,173	10,14,70,780
<b>Diluted EPS</b>		
Weighted average number of shares outstanding during the year for Basic EPS	13,48,35,173	10,14,70,780
Add: Weighted average number of preference shares outstanding during the year, to be converted into equity shares (other than those classified as instruments completely in the nature of equity)	-	78,10,470
Add: Employee stock options outstanding	1,19,700	2,68,000
Weighted average number of shares outstanding during the year for Diluted EPS	13,49,54,873	10,95,49,250
<b>Earnings Per Share (Rs.):</b>		
Basic	5.85	8.46
Diluted	5.84	7.91

For the purpose of computing Basic EPS, equity shares which will be issued upon conversion of Instrument entirely Equity in nature have been considered from the date of their issue.

\* The Company has issued bonus share in the ratio of 1:199 during the year ended 31 March 2022 (refer note 16(f)). In line with the requirements of Para 28 of Ind AS 33, for the purpose of EPS calculations, bonus shares issued have been considered as if the event of bonus issue had occurred at the beginning of the earliest period presented.

@ Pursuant to the resolutions passed by the Board of Directors on 15 December 2021 and the Shareholders on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share. Accordingly, the issued, subscribed and paid-up equity share capital of the Company being 9,525,000 equity shares of Rs. 10 each was sub-divided into 95,250,000 equity shares. The number of shares to be used in the Basic EPS and Diluted EPS calculation in respect of the period presented above have been accordingly adjusted to give retrospective effect to the share split.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 33 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### (i) Contingent Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Contingencies</b>		
Indirect Tax matters (refer note(a))	341.98	-
<b>Claims against the Company not acknowledged as debts</b>		
Dividend on 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each @	0.01	0.00

(a) The Company has received a show cause notice from the Commissioner of Customs (Import) alleging incorrect classification of the product "Bluetooth Headphone". The Company has filed an appeal before Commissioner of Customs (Import) ACC Sahar. The Company believes that the demand will not materialise and hence the same has been disclosed as contingent liability.

(b) @ The Company has issued 17,269 (31 March 2021: 15,507) 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each which carry a right to preferred cumulative dividend of 0.01% of the par value per annum. As at 31 March 2022, the arrears of preferred cumulative dividend not yet declared by the Company amounts to Rs 12,496 (31 March 2021: Rs. 2,192)

(c) There are no other contingent liabilities as on 31 March 2022 (31 March 2021: Nil)

#### (ii) Contingent assets

There are no contingent assets as on 31 March 2022 (31 March 2021: Nil)

### 34 COMMITMENTS

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A. Lease commitments</b>		
Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets, leases with term less than twelve months and variable leases.		
Not later than one year	15.66	0.25
Later than one year and not later than five years	-	-
Later than five years	-	-
	<b>15.66</b>	<b>0.25</b>

#### B. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)

- -

#### C. Other commitments

The company has given support letter to provide financial support to one of its subsidiaries - Dive Marketing Private Limited

- -

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS

#### A. Financial instruments by category and their fair value

The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	Note	Carrying amount		
		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
FINANCIAL ASSETS				
Financial assets measured at fair value				
Investments measured at				
- Fair value through profit or loss	7	26.98	24.48	23.31
Financial assets measured at amortised cost				
Investments in Subsidiaries and Associate	6	2,336.74	-	50.00
Trade receivables	12	3,227.37	754.83	552.75
Cash and cash equivalents	13	302.22	1,443.93	73.15
Bank balance other than cash and cash equivalents	14	1,575.84	45.00	12.50
Loans	15	34.21	0.59	0.93
Other financial assets	8	2,566.51	23.46	16.55
Total financial assets		10,069.88	2,292.29	729.19
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Borrowings	18	9,211.32	415.33	488.11
Lease liabilities	19	135.65	101.62	54.90
Trade payables	21	2,188.68	1,205.84	343.50
Other financial liabilities	22	8.11	30.74	10.15
Total financial liabilities		11,543.76	1,753.53	896.66

#### B. Fair Value Hierarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

**Level 1:** Quoted prices for identical instruments in an active market;

**Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2022</b>				
<b>Assets at fair value</b>				
Investments in mutual funds	26.98	-	-	26.98
<b>As at 31 March 2021</b>				
<b>Assets at fair value</b>				
Investments in mutual funds	24.48	-	-	24.48
<b>As at 01 April 2020</b>				
<b>Assets at fair value</b>				
Investments in mutual funds	23.31	-	-	23.31

There have been no transfers between Level 1 and Level 2 during the reporting periods.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

#### B. Fair Value Hierarchy (Continued)

##### Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31 March 2021.

##### Financial assets and liabilities measured at fair value as at Balance Sheet date:

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

##### Other financial assets and liabilities

Fair value of financial assets and liabilities measured at amortised cost (cash and cash equivalents, other bank balance, trade receivables, other financial assets, trade payables, borrowings, lease liabilities and other financial liabilities) is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

#### C. Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

##### (i) Management of Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

##### Financing arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year:

Particulars	As at	As at	As at
	31 March 2022	31 March 2021	1 April 2020
Cash credit facilities (includes bank overdraft and working capital facilities)	719.76	773.61	288.80
Other financing arrangements (includes bill discounting, letter of credit, etc.)	569.83	44.89	20.00
	<b>1,289.59</b>	<b>818.50</b>	<b>308.80</b>

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

#### C. Financial risk management (continued)

##### (i) Management of Liquidity Risk (continued)

##### 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 estimated interest receipts / payments and exclude the impact of netting agreements.

Particulars	Note	Undiscounted Amount			Total
		Carrying amount	Within 1 year	More than 1 year	
As at 31 March 2022					
Financial liabilities (non derivative liabilities)					
Borrowings	18	9,211.32	9,211.32	-	9,211.32
Lease liabilities	19	135.65	41.36	103.40	144.76
Trade payables	21	2,188.68	2,188.68	-	2,188.68
Other financial liabilities	22	8.11	8.11	-	8.11
As at 31 March 2021					
Financial liabilities (non derivative liabilities)					
Borrowings	18	415.33	415.33	-	415.33
Lease liabilities	19	101.62	24.57	86.39	110.96
Trade payables	21	1,205.84	1,205.84	-	1,205.84
Other financial liabilities	22	30.74	30.74	-	30.74
As at 01 April 2020					
Financial liabilities (non derivative liabilities)					
Borrowings	18	488.11	435.11	252.00	687.11
Lease liabilities	19	54.90	13.49	47.48	60.97
Trade payables	21	343.50	343.50	-	343.50
Other financial liabilities	22	10.15	10.15	-	10.15

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

#### C. Financial risk management (continued)

##### (ii) Management of 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 Company size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk
- price risk
- interest rate risk

##### Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The functional currency of the Company is Indian Rupees and its revenue is generated from operations in India. The Company does not enter into any derivative instruments for trading or speculative purposes. The Company's borrowings are all in Indian rupees.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Payable</b>			
USD			
Amount in foreign currency	7.70	5.10	0.14
Amount in INR	583.77	372.57	10.73

The Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Particulars		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
5% strengthening of INR compared to USD	Profit or (Loss)	29.19	18.63	0.54
5% strengthening of USD compared to INR	Profit or (Loss)	(29.19)	(18.63)	(0.54)
5% strengthening of INR compared to USD	Equity (net of tax)	21.84	13.94	0.40
5% strengthening of USD compared to INR	Equity (net of tax)	(21.84)	(13.94)	(0.40)

##### Price risk

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds.

The carrying amounts of the Company's investment in mutual funds are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Investments in mutual funds	26.98	24.48	23.31

##### Sensitivity analysis:

1% increase in prices	Profit or (Loss)	0.27	0.24	0.23
1% decrease in prices	Profit or (Loss)	(0.27)	(0.24)	(0.23)
1% increase in prices	Equity (net of tax)	0.20	0.18	0.17
1% decrease in prices	Equity (net of tax)	(0.20)	(0.18)	(0.17)

##### Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's portfolio of borrowings comprise of fixed rate loans which are monitored continuously in the light of market conditions.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

#### C. Financial risk management (continued)

##### (iii) Management of Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Company. The potential activities where credit risks may arise include from cash and cash equivalents and security deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

##### Trade receivables

The Company's exposure to credit risk is the exposure that Company has major business dealings with few parties to whom sales are made on credit basis and the contracted consideration is yet to be received. The Company's majority customer base are ecommerce marketplace players.

The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The Company has considered an assessment of past history and has taken into account various factors including future forecast conditions for determination of allowance for expected credit loss.

Refer to note 12 (iv) for ageing for trade receivables from the due date of payment.

The provision for impairment of trade receivables, movement of which has been provided in note 12 (iii), is not significant / material.

##### Other financial assets

The Company maintains exposure in cash and cash equivalents and term deposits with banks. The Company has set counter-party limits based on multiple factors including financial position, credit rating, etc. The Company's maximum exposure to credit risk as at 31 March 2022, 31 March 2021, 01 April 2020 is the carrying value of each class of financial assets.

### 36 CAPITAL MANAGEMENT

The Company defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company (which is the Company's net asset value). The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows.

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Borrowings (refer note 18)	9,211.32	415.33	488.11
Lease liabilities (refer note 19)	135.65	101.62	54.90
Total debt liabilities	9,346.97	516.95	543.01
Less : Cash and bank balances (refer note 13)	(302.22)	(1,443.93)	(73.15)
Less : Bank balance other than cash and cash equivalents (refer note 14)	(1,575.84)	(45.00)	(12.50)
Less : Bank deposits with remaining maturity more than 1 year (refer note 8)	-	-	-
Less : Bank deposits with remaining maturity less than 1 year (refer note 8)	(2,436.19)	-	-
Adjusted net debt	5,032.72	(971.98)	457.36
Total equity	6,101.50	4,641.68	721.96
Adjusted net debt to adjusted equity ratio	0.82	(0.21)	0.63
Debt equity considering only borrowings as debt	1.51	0.09	0.68

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022, 31 March 2021 and as at 1 April 2020



# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 37 RELATED PARTY DISCLOSURES

#### A. Names of the related parties of the Company

<b>Entity having significant influence</b>	South Lake Investment Ltd (with effect from 5 January 2021)
<b>Subsidiary company</b>	Dive Marketing Private Limited (with effect from 3 June 2021) HOB Ventures Private Limited (with effect from 31 December 2021) Imagine Marketing Singapore Pte. Ltd. (with effect from 29 November 2021) Kaha Pte Ltd (with effect from 11 February 2022) Kaha Technologies Private Limited (with effect from 2 February 2022)
<b>Associate company</b>	Sirena Labs Private Limited (with effect from 5 November 2019)
<b>Key management personnel (KMP)</b>	Mr. Aman Gupta - Director Mr. Sameer Mehta - Director Mr. Kanwaljit Singh - Director (with effect from 17 April 2018 upto 8 January 2022) Mr. Anish Saraf - Director (with effect from 5 January 2021) Mr. Vikram Chogle - Director (with effect from 5 January 2021, resigned with effect from 19 January 2022) Mr. Aashish Kamat - Independent Director (with effect from 12 November 2021) Mr. Anand Ramamoorthy - Independent Director (with effect from 12 November 2021) Mr. Deven Waghani - Independent Director (with effect from 15 December 2021) Ms. Purvi Sheth - Independent Director (with effect from 12 November 2021) Mr. Vivek Gambhir - Chief Executive Officer (with effect from 9 February 2021) Mr. Ankur Sharma - Chief Financial Officer (with effect from 4 June 2021) Ms. Dhara Joshi - Company Secretary (with effect from 13 May 2021 upto 5 May 2022) Mr. Mukesh Ranga - Company Secretary (with effect from 5 May 2022)
<b>Entities in which KMP have significant influence</b>	Redwood Interactive ( Partnership firm, were one of the Director is intrested) Kores (India) Limited (up to 30 September 2020)

#### B. Disclosure of transactions between the Company and related parties

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Sales of goods</b>		
Sirena Labs Private Limited	-	0.10
Kores (India) Limited	-	0.09
<b>Purchase of goods</b>		
Sirena Labs Private Limited	3.24	5.44
Redwood Interactive	0.01	15.79
Kaha Pte. Ltd.	34.98	-
<b>Purchase of Services</b>		
Kaha Pte. Ltd.	3.45	-
<b>Royalty expense</b>		
Dive Marketing Private Limited	1.73	-
<b>Rent income</b>		
Dive Marketing Private Limited	0.18	-
<b>Rent expenses</b>		
Redwood Interactive	-	0.28
<b>Reimbursement of expenses received</b>		
Sirena Labs Private Limited	-	0.18
Mr. Sameer Mehta	-	0.01
Redwood Interactive	-	0.02

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 37 RELATED PARTY DISCLOSURES (CONTINUED)

#### B. Disclosure of transactions between the Company and related parties (continued)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Reimbursement of expenses paid</b>		
Mr. Aman Gupta	4.77	78.15
Mr. Sameer Mehta	0.03	-
Mr. Ankur Sharma	0.12	-
Redwood Interactive	-	0.01
Mr. Vivek Gambhir	0.22	-
Ms. Dhara Joshi	0.01	-
<b>Contribution paid towards equity share capital</b>		
Dive Marketing Private Limited	0.10	-
HOB Ventures Private Limited	310.10	-
Imagine Marketing Singapore Pte. Ltd.	1,949.29	-
<b>Advance received back</b>		
Sirena Labs Private Limited	-	6.50
<b>Loan given</b>		
Dive Marketing Private Limited	27.00	-
HOB Ventures Private Limited	4.69	-
<b>Loan received back</b>		
HOB Ventures Private Limited	4.69	-
<b>Interest income on loan given</b>		
Dive Marketing Private Limited	1.34	-
HOB Ventures Private Limited	0.02	-
<b>Repayment of short-term borrowings (including interest)</b>		
Mr. Aman Gupta	-	1.25
Mr. Sameer Mehta	-	7.45
<b>Interest expense on short-term borrowings</b>		
Mr. Sameer Mehta	-	0.38
Kores (India) Limited	-	-
<b>Advance against supply of goods</b>		
Kaha Pte. Ltd.	105.43	-
<b>Purchase of brand (excluding stamp duty)</b>		
Redwood Interactive	-	50.00
<b>Directors Sitting Fees</b>		
Mr. Aashish Kamat	0.40	-
Ms. Purvi Sheth	0.40	-
Mr. Deven Waghani	0.28	-
Mr. Anand Ramamoorthy	0.45	-
<b>Commission to Directors</b>		
Mr. Aashish Kamat	1.50	-
Mr. Anand Ramamoorthy	1.50	-
Mr. Deven Waghani	1.50	-
Ms. Purvi Sheth	1.50	-

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 37 RELATED PARTY DISCLOSURES (CONTINUED)

#### B. Disclosure of transactions between the Company and related parties (continued)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Issue of preference share capital</b>		
South Lake Investment Ltd	-	4,400.10
<b>Payment made for buy back of equity shares</b>		
Mr. Aman Gupta	-	567.75
Mr. Sameer Mehta	-	567.75
<b>Remuneration to Key management personnel</b>		
Mr. Aman Gupta	16.25	10.00
Mr. Sameer Mehta	16.25	10.00
Mr. Vivek Gambhir	24.57	3.44
Mr. Ankur Sharma	7.26	-
Ms. Dhara Joshi	1.25	-
<b>Share based payments expense</b>		
Mr. Vivek Gambhir	125.68	-
Mr. Ankur Sharma	1.79	-

#### C. Status of outstanding balances

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Trade receivables</b>		
Sirena Labs Private Limited	2.64	6.46
Allowance for expected credit loss	(2.64)	(2.64)
<b>Trade payables</b>		
Dive Marketing Private Limited	0.98	-
Sirena Labs Private Limited	1.74	1.74
Redwood Interactive	-	0.03
<b>Capital creditor</b>		
Redwood Interactive	-	16.00
<b>Trade advance receivable</b>		
Sirena Labs Private Limited	13.50	13.50
Allowance for doubtful trade advance	(13.50)	(13.50)
Kaha Pte. Ltd.	258.72	-
<b>Interest receivable on trade advance</b>		
Sirena Labs Private Limited	1.77	1.77
Allowance for doubtful interest receivable on trade advance	(1.77)	(1.77)
<b>Loan receivable</b>		
Dive Marketing Private Limited	27.00	-
<b>Interest receivable on loan</b>		
Dive Marketing Private Limited	1.21	-

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 37 RELATED PARTY DISCLOSURES (CONTINUED)

#### C. Status of outstanding balances (continued)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Reimbursement of expenses payable</b>		
Mr. Vivek Gambhir	0.20	-
<b>Remuneration payable to Key management personnel @</b>		
Mr. Aman Gupta	-	0.16
Mr. Sameer Mehta	-	0.57
Mr. Vivek Gambhir	-	1.64

@ As the liabilities for employee benefit provisions are provided on actuarial basis for the Company as a whole, the amounts pertaining to key management personnel are not included.

During the year ended 31 March 2021, the Company has recognised a provision for impairment against the investment in associate company - Refer note 6

#### D. Details of guarantees of key management personnel and shares pledged:

- i Personal guarantee of Mr. Sameer Mehta and Mr. Aman Gupta for the cash credit facility with Citi, ICICI and RBL banks.
- ii Pledge of 14,480 Equity shares (7,240 owned by Mr. Sameer Ashok Mehta and 7,240 owned by Mr. Aman Gupta) for debenture issued to BAC Acquisition Pvt Ltd. During the year, all the outstanding debenture were fully repaid and pledge has been removed.
- iii Pledge of 7,500 Equity shares (3,750 owned by Mr. Sameer Ashok Mehta and 3,750 owned by Mr. Aman Gupta) for secured loan obtained from Innoven Capital India Pvt Ltd towards Working Capital & Term Loan.
- iv Pledge of 2,500 Equity shares (1,250 owned by Mr. Sameer Ashok Mehta and 1,250 owned by Mr. Aman Gupta) for Cash Credit (CC) facility from Citi bank.
- v Pledge of 1,250 Equity shares (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) for Cash Credit (CC) facility from ICICI bank.
- vi Pledge of 3,750 Equity shares (1,875 owned by Mr. Sameer Ashok Mehta and 1,875 owned by Mr. Aman Gupta) for secured working capital demand loan (sublimit of cash credit facility) from RBL Bank .
- vii Pledge of 1,250 Equity shares (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) for secured loan from HDFC bank.

During the year ended 31 March 2022, all the above pledges have been removed and there are no active pledge as at 31 March 2022.

#### E. Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables other than those mentioned in note 37D. For the year ended 31 March 2022, the Company has recorded impairment of receivables relating to amounts owed by related parties (see note 37C). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 38 SEGMENT INFORMATION

#### A. Business Segments

The Company has determined following reporting segments based on the information reviewed by the Company's Chief Operating Decision Maker ('CODM'):

- (i) Audio includes wired earphone, wireless earphone, wired headphone, wireless headphone, wireless speakers and soundbar.
- (ii) Wearables include smart watches.
- (iii) Others includes cables, charges, mens grooming kit and gaming equipments.

The above business segments have been identified considering:

- (i) the nature of products
- (ii) the differing risks and returns
- (iii) the internal organisation and management structure, and
- (iv) the internal financial reporting systems

The Chief Executive Officer of the Company, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM.

Segment Results are arrived at based on segment revenues less direct and allocable cost associated with the segment.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Revenue</b>		
<b>External revenue</b>		
Audio	22,760.15	12,285.73
Wearables	5,155.13	548.05
Others	792.36	303.38
	<b>28,707.64</b>	<b>13,137.16</b>
<b>Inter segment</b>		
Audio	-	-
Wearables	-	-
Others	-	-
	<b>-</b>	<b>-</b>
<b>Total</b>		
Audio	22,760.15	12,285.73
Wearables	5,155.13	548.05
Others	792.36	303.38
	<b>28,707.64</b>	<b>13,137.16</b>
<b>Result</b>		
Audio	2,030.06	1,406.81
Wearables	(299.48)	56.96
Others	25.62	9.21
<b>Segment Results</b>	<b>1,756.20</b>	<b>1,472.98</b>
Un-allocated corporate expenses net of un-allocated income	(489.33)	(238.60)
Other income	156.44	65.72
Finance costs	(332.89)	(118.78)
<b>Profit before tax</b>	<b>1,090.42</b>	<b>1,181.32</b>
Tax expense		
Current tax	306.88	327.33
Deferred tax	(4.66)	(10.51)
<b>Total tax expense</b>	<b>302.22</b>	<b>316.82</b>
<b>Profit for the year</b>	<b>788.20</b>	<b>864.50</b>

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 38 SEGMENT INFORMATION (CONTINUED)

#### B. Other Information

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Segment Assets</b>		
Audio	8,037.43	4,077.03
Wearables	1,782.49	110.52
Others	561.64	188.15
Total segment assets	10,381.57	4,375.70
Unallocated corporate assets	8,360.44	2,408.57
<b>Total assets</b>	<b>18,742.01</b>	<b>6,784.27</b>
<b>Segment Liabilities</b>		
Audio	1,650.65	1,175.70
Wearables	466.24	49.63
Others	79.51	40.79
Total segment liabilities	2,196.40	1,266.12
Unallocated corporate liabilities	10,444.11	876.47
<b>Total liabilities</b>	<b>12,640.51</b>	<b>2,142.59</b>
<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<b>Capital expenditure</b>		
Audio	-	-
Wearables	-	-
Others	-	-
Unallocated	24.74	67.90
<b>Depreciation/Amortisation</b>		
Audio	-	-
Wearables	-	-
Others	-	-
Unallocated	65.81	31.98
<b>Non-cash expenses other than depreciation</b>		
Audio	-	-
Wearables	-	-
Others	-	-
Unallocated	-	-

#### C. Additional information by geographies

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Revenue by Geographical Market</b>		
India	28,707.64	13,137.16
Outside India	-	-
<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Carrying Amount of Segment Assets</b>		
India	10,381.57	4,375.70
Outside India	-	-
<b>Non-current assets *</b>		
India	363.81	163.71
Outside India	-	-

\* Non-current assets excludes financial instruments and deferred tax assets.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

*(All amounts are in Rs. million, unless otherwise stated)*

### D. Revenue from major customers

The Company earns revenue from few of its major customers which individually amounts to 10 per cent or more of the Company's revenues. Details of such customers (i.e. the total amount of revenues from each such customer) are disclosed below. Revenue from such customers are reported under all the segments of the Company.

<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Customer 1	9,105.37	5,428.97
Customer 2	7,984.17	5,569.32

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 39 EMPLOYEE BENEFIT PLANS

##### A. Defined Contribution Plan

Amount incurred and paid towards contribution to provident fund, Labour Welfare Fund and employees' state insurance corporation is recognised as an expense and included in employee benefit expense:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contribution to provident fund and other funds	9.79	3.62

##### B. Defined Benefit Plan

###### (i) Description of Plan

Retirement Benefit Plan of the Company include Gratuity. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service with maximum ceiling as per Companies policies. Gratuity plan is unfunded.

###### (ii) Balance Sheet

The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Fair value of plan assets	-	-	-
Present value of obligations	(6.46)	(2.05)	(0.80)
<b>(Liability) recognised in balance sheet</b>	<b>(6.46)</b>	<b>(2.05)</b>	<b>(0.80)</b>

Movements in Present Value of Obligation:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Defined benefit obligation at the commencement of the year	2.05	0.80	0.26
Current service cost	2.16	1.19	0.36
Past service cost	-	-	-
Interest cost	0.13	0.05	0.02
Actuarial losses / (gains)	2.12	0.01	0.16
Benefits paid	-	-	-
<b>Defined benefit obligation at the end of the year</b>	<b>6.46</b>	<b>2.05</b>	<b>0.80</b>
Provision for gratuity (under Non-Current provisions) (Refer note 20)	6.34	2.02	0.79
Provision for gratuity (under Current provisions) (Refer note 20)	0.12	0.03	0.01
	<b>6.46</b>	<b>2.05</b>	<b>0.80</b>

###### (iii) Standalone statement of profit and loss

The charge to the Standalone statement of profit and loss comprises:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Employee Benefit Expenses:</b>		
Current service cost	2.16	1.19
Past service cost	-	-
	<b>2.16</b>	<b>1.19</b>
<b>Finance costs:</b>		
Interest cost	0.13	0.05
Interest income	-	-
	<b>0.13</b>	<b>0.05</b>
<b>Net impact on profit (before tax)</b>	<b>2.29</b>	<b>1.24</b>
<b>Remeasurement of the net defined benefit plans:</b>		
Actuarial (gains)/losses arising from changes in financial assumptions	(0.35)	0.01
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from experience adjustments	2.47	0.00
<b>Net impact on other comprehensive income (before tax)</b>	<b>2.12</b>	<b>0.01</b>



## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 39 EMPLOYEE BENEFIT PLANS (CONTINUED)

##### (iv) Assumptions

With the objective of presenting the plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Financial Assumptions</b>			
Discount rate (per annum)	7.25%	6.80%	6.85%
Salary Escalation Rate (per annum)	7.00%	7.00%	7.00%

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds, which is consistent with the estimated terms of the obligation.

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

<b>Demographic Assumptions</b>	Age			
Withdrawal Rate	25 and below	10.00%	10.00%	10.00%
	25 to 35	8.00%	8.00%	8.00%
	35 to 45	6.00%	6.00%	6.00%
	45 to 55	4.00%	4.00%	4.00%
	55 and above	2.00%	2.00%	2.00%

Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
----------------	--	--	--

##### (v) Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

Particulars			As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Discount rate (per annum)	Increase	0.50%	(6.09)	(1.92)	(0.75)
	Decrease	0.50%	6.85	2.19	0.85
Salary escalation rate (per annum)	Increase	0.50%	6.70	2.15	0.84
	Decrease	0.50%	(6.22)	(0.20)	(0.76)
Withdrawal Rate	Increase	W.R. x 110%	(6.44)	(2.03)	(0.79)
	Decrease	W.R. x 90%	6.46	2.08	0.81

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous years.

##### (vi) Weighted average duration of the defined benefit plan:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Gratuity plan	12.50	12.55	12.13

##### (vii) Expected future cash flows in respect of gratuity:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Less than a year	0.12	0.03	0.01
Between 2-5 years	1.43	0.40	0.15
More than 5 years	3.27	0.96	0.38

#### C. Compensated absences

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Expense towards compensated absences included in Employee Benefit expenses	11.54	4.69	1.10

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Provision for compensated absences	17.04	5.62	1.09

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 40 SHARE BASED PAYMENTS

##### Equity Settled Share Based Payments

##### Employees Stock Option Plan 2019 ('ESOP 2019')

The ESOP 2019 had been formulated by the Board of Directors of the Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 15 November 2019 and subsequently amended on 25 March 2021. The ESOP 2019 entitles eligible employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2019, holders of vested options are entitled to purchase an equity share for every option at an exercise price as stated in the grant letter.

##### Management Stock Option Plan 2021 ('ESOP 2021')

The ESOP 2021 has been formulated by the Board of Directors of the Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 25 March 2021. The ESOP 2021 entitles eligible employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2021, holders of vested options are entitled to purchase an equity share for every option at an exercise price as stated in the grant letter.

Plan	Employee Entitled	Vesting Conditions	Contractual life of options
ESOP 2019	Eligible Employees	Continued employment with Company	4 years
ESOP 2021	Eligible Employees	Continued employment with Company	4 years

  

Scheme	Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (Rs.) per share (refer note below)	Weighted Average Exercise Price (Rs.) per share
ESOP 2019	2019	16 November 2019	256	Graded vesting over 4 years from grant date	7 years from date of vesting	30.27	30.27
	2020	15 November 2020	453	Graded vesting over 4 years from grant date	7 years from date of vesting	30.27	30.27
	2021	25 March 2021	50	Graded vesting over 4 years from grant date	7 years from date of vesting	30.27	30.27
	2022	25 October 2021	14,33,500	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2022	25 October 2021	30,000	Vesting over 1 years from grant date	7 years from date of vesting	141.88	141.88
	2022	2 December 2021	14,250	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2022	1 February 2022	4,10,000	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2022	29 March 2022	5,37,400	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
ESOP 2021	2021 - 1	13 April 2021	2,062	Grade vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2021 - 2	13 April 2021	687	4 years from grant date	7 years from date of vesting	141.88	141.88

##### Note:

- The original exercise price for the shares granted under the ESOP 2019 on 16 November 2019, 15 November 2020 and 25 March 2021 was Rs. 60,532 per share. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Company adjusted the exercise price for ESOPs under the ESOP 2019 in accordance with their terms of issuance as set out in the ESOP 2019 and the amended from Rs. 60,532 to Rs. 302.66. Further on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share resulting in adjustment of exercise price from Rs. 302.66 to Rs 30.27.
- The original exercise price for the shares granted under the ESOP 2021 on 13 April 2021 was Rs. 283,749 per share. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Company adjusted the exercise price for ESOPs under the ESOP 2021 in accordance with their terms of issuance as set out in the ESOP 2021 and the amended from Rs. 283,749 to Rs. 1,418.75. Further on December 15, 2021 the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share resulting in adjustment of exercise price from Rs. 1,418.75 to Rs 141.88.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 40 SHARE BASED PAYMENTS (CONTINUED)

Note (continued) :

- (iii) The original exercise price for the shares granted under the ESOP 2019 on 25 October 2021 and 02 December 2021 was Rs. 1,418.745 per share. Pursuant to the Corporate Event on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share, the Company adjusted the exercise price for ESOPs under the ESOP 2019 in accordance with their terms of issuance as set out in the ESOP 2019 and the amended from Rs. 1,418.75 to Rs. 141.88.

Scheme	Year	For the year ended	Number of Share Options				Outstanding at the end of the year
			Outstanding at the beginning of the year	Granted during the year*	Forfeited/Expired during the year	Exercised during the year	
ESOP 2019	2019	31 March 2021	256	-	(15)	-	241
		31 March 2022	241	4,81,759	(1,10,000)	(1,96,500)	1,75,500
	2021	31 March 2021	-	453	-	-	453
		31 March 2022	453	9,05,547	(3,08,000)	(1,20,300)	4,77,700
	2021	31 March 2021	-	50	-	-	50
		31 March 2022	50	99,950	-	-	1,00,000
	2022	31 March 2021	-	-	-	-	-
		31 March 2022	-	24,25,150	(42,000)	-	23,83,150
ESOP 2021	2021 - 1	31 March 2021	-	2,062	-	-	2,062
		31 March 2022	2,062	41,21,938	-	-	41,24,000
	2021 - 2	31 March 2021	-	687	-	-	687
		31 March 2022	687	13,73,313	-	-	13,74,000

\* Granted during the year includes additional options granted upon issuance of bonus shares to existing shareholders and share split from Rs. 10 each to Re. 1 each (refer note 16(f))

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Weighted average equity share price at the date of exercise of options during the year	141.88	-
Weighted average remaining contractual life of options (years) as at the end of the year	8.46	9.10

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Risk-free interest rate (%)	5.08% to 6.84%	5.96%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	4 to 7.33 years	4.5 to 6 years
Expected volatility (%)	14.89% to 21.82%	76.24%
Dividend yield	0.00%	0.00%

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

#### Effect of share based payment transactions on the Standalone statement of profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Equity settled share based payments	155.72	11.82
<b>Total expense recognized under "Employee benefits expense"</b>	<b>155.72</b>	<b>11.82</b>

#### 41 INVESTMENT IN SIRENA LABS PRIVATE LIMITED

The Company had invested Rs. 50,000,017 in Sirena Labs Private Limited ("SLPL") on 5 November 2019 pursuant to which 3,703 equity shares of Rs. 10 each of SLPL were issued to the Company which accounted for 27% share by the Company in SLPL.

During the year ended 31 March 2021, on account of non-payment of dues by SLPL, the Company initiated a legal dispute against the management of SLPL. As a result, the entire carrying value of the Company's investment in SLPL was provided for.

- 42 During the year ended 31 March, 2022, the Company had filed Draft Red Herring Prospectus (DRHP) with SEBI in connection with the proposed Initial Public Offer (IPO) of equity shares of the Company by way of fresh issue and an offer for sale by the existing shareholders, the Company has confirmed that it is in the process of withdrawing the DRHP application filed with Securities and Exchange Board of India (SEBI). The Company had incurred expenses to the tune of Rs 83.71 million which has been charged to the statement of Profit and Loss in the current year.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 43 RATIOS AS REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

#### A. Computation of ratios:

					% variance	
				Year ended	Year ended	31 March 2022
Particulars	Numerator	Denominator	31 March 2022	31 March 2021	vs 31 March 2021	
(i)	Current ratio (in times)	Current assets	Current liabilities	1.27	3.18	-59.97%
(ii)	Debt-equity ratio (in times)	Total Debt	Shareholder’s Equity	1.51	0.09	1587.20%
(iii)	Debt service coverage ratio (in times)	Earnings available for debt service	Debt Service	2.92	6.33	-53.84%
(iv)	Return on equity ratio (in %)	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder’s Equity	14.67%	32.02%	-54.17%
(v)	Inventory turnover ratio(in times)	Cost of goods sold	Average Inventory	5.49	5.32	3.29%
(vi)	Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade receivables	14.43	20.10	-28.20%
(vii)	Trade payables turnover ratio (in times)	Purchase of stock-in-trade + Other expenses	Average Trade payables	16.38	17.36	-5.68%
(viii)	Net capital turnover ratio (in times)	Revenue from operations	Working Capital	8.45	2.93	188.66%
(ix)	Net profit ratio (in %)	Profit for the year (after tax)	Revenue from operations	2.74%	6.54%	-58.02%
(x)	Return on capital employed (in %)	Earning before interest and taxes	Capital Employed	9.29%	25.59%	-63.68%
(xi)	Return on investment (in %)	Interest income from bank	Fixed deposits	2.41%	1.48%	62.99%

#### Definitions:

- (a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (b) Debt service = Interest & Lease Payments + Principal Repayments
- (c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- (d) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- (e) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
- (f) Working capital = Current assets - Current liabilities.
- (g) Earning before interest and taxes = Profit before tax + Interest expense
- (h) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

#### B. Explanation for change in the ratio by more than 25%:

		Variance explanation
		31 March 2022
		vs 31 March 2021
<b>Particulars</b>		
(i)	Current ratio	Increase in current liability is largely due to increase in borrowings to fund working capital requirements of the Company.
(ii)	Debt-equity ratio	Increase in Debt is due to increase in borrowings to fund working capital.
(iii)	Debt service coverage ratio	Due to increase in borrowings to fund Working Capital and higher cost for finished products, earnings have reduced leading to a low debt service coverage ratio.
(iv)	Return on Equity Ratio	The Return on Equity Ratio has decline as profit after tax has reduced as compared to the previous period
(v)	Trade receivables turnover ratio	Increase in Average Trade Receivables is higher compared to the increase in revenue
(vi)	Net capital turnover ratio	The Company is in a growth phase and has higher working capital requirements.
(vii)	Net profit ratio	The ratio dropped due to increased cost of Finished Products coupled with increase in salary cost, Finance cost and other overheads
(viii)	Return on capital employed	The ratio declined due to higher cost of goods sold and increase in salary cost and other overheads
(ix)	Return on Investment	Interest Income on Fixed Deposit has increased compared to the previous year leading to a higher return on investment in Fixed Deposit

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 44 FIRST TIME ADOPTION OF IND AS

The Standalone Balance Sheet of the Company as at 31 March 2022, the Standalone Statement of profit and loss, the Standalone statement of changes in equity and the Standalone statement of cash flows for the year ended 31 March 2022 and other financial information has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

In accordance with the transition provision specified under Ind AS 101, The Ind AS adjustments as described above are more fully described in Note 44 of the Standalone Financial Statement.

These are Company's first Standalone Financial Statements prepared in accordance with Ind AS. For the year ended 31 March 2021, the Company had prepared its Standalone Financial Statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 2 have been applied in preparing these Standalone Financial Statements for the year ended 31 March 2022 including the comparative information for the year ended 31 March 2021 and the opening Standalone Ind AS Balance Sheet on the date of transition i.e. 01 April 2020.

In preparing its Standalone Ind AS Balance Sheet as at 01 April 2020 and in presenting the comparative information for the year ended 31 March 2021, the Company has adjusted amounts reported previously in its Standalone Financial Statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its Standalone Financial Statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

#### A. Exemptions applied:

##### (i) Mandatory exceptions:

##### (a) Estimates:

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates prepared in preparation of financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Determination of the discounted value for financial instruments carried are amortised cost.
- Impairment of financial assets based on the expected credit loss model.

##### (b) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

##### (ii) Optional exemptions:

##### (a) Deemed cost for property, plant and equipment:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date 1 April 2020.

##### (b) Leases:

The Company has adopted Ind AS 116 following the full retrospective approach. The Company has applied the following available practical expedients wherein it:

- a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- b) Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

#### B. Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Notes	As at 31 March 2021	As at 1 April 2020
<b>Total equity reported earlier under previous GAAP</b>		<b>4,663.01</b>	<b>878.00</b>
<b>Ind AS adjustments</b>			
Leases	(i)	(34.85)	(20.64)
Financial assets measured at amortised cost	(ii)	0.73	0.29
Financial assets measured at FVTPL	(iii)	0.47	(0.69)
Classification of Series A CCPS as compound financial instruments and recognising liability component	(v)	(117.04)	(117.04)
Deferred tax liability recognised on the equity component	(v)	(27.07)	(27.07)
Reversal of Deferred tax liability recognised on the equity component on account of tax rate change	(v)	3.46	3.46
Reclassification of Series A CCPS from liability to Instrument completely in nature of equity	(v)	144.64	-
Reversal of Deferred tax liability recognised on the equity component on account of reclassification of CCPS	(v)	16.44	-
Allowance for expected credit loss	(vii)	(22.60)	-
Tax adjustments	(viii)	14.49	5.65
<b>Total equity as per Ind AS</b>		<b>4,641.68</b>	<b>721.96</b>

#### C. Reconciliation of total comprehensive income between previous GAAP and Ind AS:

Particulars	Notes	Year ended 31 March 2021
<b>Profit for the year reported earlier under previous GAAP</b>		<b>779.27</b>
<b>Ind AS adjustments</b>		
Leases	(i)	(14.21)
Financial assets measured at amortised cost	(ii)	0.44
Financial assets measured at FVTPL	(iii)	1.16
Expenses incurred directly in connection with issue of CCPS	(iv)	91.52
Gain on derecognition of liability component of CCPS	(v)	20.43
Share based payment expense	(vi)	(6.17)
Allowance for expected credit loss	(vii)	(22.60)
Remeasurements of the defined benefit plans reclassified to OCI	(viii)	0.01
Tax adjustments	(ix)	8.84
<b>Profit for the year reported earlier under Ind AS</b>		<b>858.69</b>
Other comprehensive income (net of tax)		(0.01)
<b>Total comprehensive Income as reported under Ind AS</b>		<b>858.68</b>

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 44 FIRST TIME ADOPTION OF IND AS (CONTINUED)

##### D. Impact of Ind AS adoption on the Statement of Cash Flows

There were no material differences between statement of cash flows as per Ind AS and cash flow statement under previous GAAP.

##### E. Notes to first time adoption

##### (i) Leases

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Under Ind AS 116, all arrangement that fall under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Company has recognised a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

The impact arising from the change [increase / (decrease)] is as follows:

Statement of Profit and Loss		Year ended 31 March 2021	
Rent expense		19.26	
Interest expense on financial liabilities measured at amortised cost - on lease liabilities		(15.38)	
Depreciation of right-of-use assets		(21.44)	
Gain due to reduction in lease rental during COVID-19		3.35	
Adjustment before income tax - Profit / (loss)		(14.21)	
Balance Sheet		As at 31 March 2021	As at 1 April 2020
Right-of-use assets		97.28	53.84
Lease liabilities		101.62	54.90
		198.90	108.74

##### (ii) Financial assets measured at amortised cost

Under previous GAAP, the security deposits paid for lease rent are shown at the transaction value. Whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting year. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognized as right-of-use assets and is amortized over the period of the lease term. Further, interest is accreted on the present value of the security deposits paid for lease rent.

The impact arising from the change [increase / (decrease)] is as follows:

		Year ended
Statement of Profit and Loss		31 March 2021
Interest income from financial assets at amortized cost		0.44
Adjustment before income tax - Profit / (loss)		0.44
Balance Sheet	As at	As at
	31 March 2021	1 April 2020
Right-of-use assets	0.64	1.49
Other financial assets (Security deposits)	(0.64)	(1.49)

##### (iii) Financial assets measured at FVTPL

Under previous GAAP, the investments in mutual funds were subsequently recognised at cost less provision for diminution in value. Whereas under Ind AS, the same are subsequently recognised at fair value at the end of every financial reporting period/year. Accordingly, the difference between the cost and the fair value of the mutual funds is recognized as a gain / (loss) in the statement of profit and loss.

The impact arising from the change [increase / (decrease)] is as follows:

Statement of Profit and Loss		Year ended 31 March 2021
Fair valuation gain/(loss) from investments designated at FVTPL		1.16
Adjustment before income tax - Profit / (loss)		1.16
Balance Sheet	As at 31 March 2021	As at 1 April 2020
Investments	0.48	(0.69)
	0.48	(0.69)

##### (iv) Expenses incurred directly in connection with issue of CCPS

Under previous GAAP, expenses incurred on issue of share capital were recognised as an expense in the statement of profit and loss. Whereas under Ind AS, the same are recognised directly in other equity. Accordingly, the expenses incurred on issue of CCPS have been reclassified to other equity in the financial statements.

The impact arising from the change [increase / (decrease)] is as follows:

	Year ended 31 March 2021
<b>Statement of Profit and Loss</b>	
Reclass of share issue expense from other expenses to other equity	91.52
<b>Adjustment before income tax - Profit / (loss)</b>	<b>91.52</b>

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 44 FIRST TIME ADOPTION OF IND AS (CONTINUED)

#### E. Notes to first time adoption (continued)

#### (v) Accounting for Series A CCPS

##### Classification of Series A CCPS as compound financial instruments and recognising liability component

Under previous GAAP, preference shares issued were classified as part of share capital. Whereas under Ind AS, the same are classified as either equity, liability or compound financial instruments based on the terms of the instrument issued. In the case of the Company, the Series A CCPS and Series A1 CCPS (both together referred to as 'Series A CCPS') were issued with a conversion ratio of 1:1 as per the Shareholders Agreements (SHA). However, the SHA also included an Exit clause to the investor (Fireside Ventures Investment Fund - I) through IPO or facilitating and causing sale of inventor's securities to any person within 6+2 years from the closing date. The Exit price was determined to be no less than 1.2 times the subscription amount paid by the Investor. Accordingly, Series A CCPS were considered to be compound financial instrument as at the transaction date. (refer note 16 (h)). In line with the requirement of the Indian accounting standard, the liability component was reclassified from equity and recognised as a financial liability under the heading "Borrowings".

##### Deferred tax liability recognised on the equity component

A deferred tax liability was recognised on the equity portion of the Series A CCPS in line with the requirement of Ind AS 12, Income Taxes on the date of initial recognition.

##### Reversal of Deferred tax liability recognised on the equity component on account of tax rate change

During the year ended 31 March 2021, the Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company re-measured its net deferred tax liabilities basis the rate prescribed in the said section. The impact of this change on the deferred tax liability recognised on the equity component of the compound financial instruments was recognised directly in equity.

##### Reclassification of Series A CCPS from liability to Instrument completely in nature of equity and Gain on derecognition of liability component of CCPS

During the year ended 31 March 2021, Fireside Ventures Investment Fund - I waived off the right to the Exit clause as mentioned in the SHA dated 4 April 2018 and 31 December 2018 respectively. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature". This results in the reversal of interest accrued from the transaction date to the date of reclassification which was recognised as a gain in the statement of profit and loss.

##### Reversal of Deferred tax liability recognised on the equity component

The balance deferred tax liability recognised on the equity portion of the Series A CCPS was reversed in the equity.

#### (vi) Share based payment expense

Under Previous GAAP, the intrinsic value of the employee stock option plan was recognised as an expense over the vesting period. Under Ind AS, the compensation cost of employee stock option plan is recognised based on the fair value of the options determined using an appropriate pricing model at the date of grant. Accordingly, the impact of increase in the Share based payment expense has been recognised in 'Employee benefits expense' in the statement of profit and loss.

	Year ended 31 March 2021
<b>Statement of Profit and Loss</b>	
Share based payment expense	(6.17)
<b>Adjustment before income tax - Profit / (loss)</b>	<b>(6.17)</b>

#### (vii) Allowance for expected credit loss

Under Previous GAAP, provision for doubtful trade receivables was recognised under an incurred loss model. Under Ind AS, an allowance for trade receivable are recognized using the expected credit loss model. Accordingly, an allowance for expected credit loss model has been recognised in the financial statements.

##### The impact arising from the change [increase / (decrease)] is as follows:

	As at 31 March 2021	As at 1 April 2020
<b>Statement of Profit and Loss</b>		
Provision for loss allowance for trade receivables	(22.60)	
<b>Adjustment before income tax - Profit / (loss)</b>	<b>(22.60)</b>	
<b>Balance Sheet</b>		
Trade receivables	(22.60)	5.48
	<b>(22.60)</b>	<b>5.48</b>

#### (viii) Remeasurements of the defined benefit plans reclassified to OCI

Under Previous GAAP, the actuarial gain/(loss) of defined benefit plans had been recognised in statement of profit and loss under employee benefits expense. Under Ind AS, the remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income (net of tax).

#### (ix) Tax adjustments

Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through statement of profit and loss or other comprehensive income.

	Year ended 31 March 2021
<b>Statement of Profit and Loss</b>	
<b>Tax adjustments on Ind AS adjustments</b>	
Deferred tax impact on right-of-use asset	(10.93)
Deferred tax impact on lease liabilities	11.76
Deferred tax impact on compound financial instrument	2.48
Deferred tax impact on investments measured at FVTPL	(0.34)
Deferred tax impact on security deposits	0.19
Deferred tax impact on other	5.68
<b>Adjustment - Profit / (loss)</b>	<b>8.84</b>

#### F. Regrouping / reclassification

Appropriate adjustments have been made in the Standalone Financial statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the Ind AS presentation requirements.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Standalone Financial Statements for the year ended 31 March 2022 (All amounts are in Rs. million, unless otherwise stated)

#### 45 DISCLOSURES PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013

- (i) Refer to note 6 for details of investment in subsidiary and associate companies.
- (ii) The Company has not given any loan or guarantee or provided any security as covered under Section 186 of the Companies Act, 2013. Accordingly, the disclosure requirements to that extent does not apply to the Company.

#### 46 DISCLOSURE OF STRUCK OFF COMPANIES

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

- 47 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

#### 48 SUBSEQUENT EVENTS

Subsequent to the year ended 31 March 2022, the Company has incorporated one Joint venture:

Name of the entity	Date of incorporation	Principle business
Califonix Tech And Manufacturing Private Limited	27 April 2022	Contract Manufacturer of Electrical Products

The Company has entered into a Joint Venture Agreement proposing equal shareholding (50%-50%) and with equal directors on board with Dixon Technologies (India) Limited (Dixon JV Agreement) for manufacturing Bluetooth enabled audio devices (except Bluetooth speakers and home audio) and other electronic products, as may be mutually agreed between the parties. On 27 April 2022, a Joint venture company Califonix Tech And Manufacturing Private Limited (Joint Venture) was incorporated.

- 49 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:  
(a) Crypto Currency or Virtual Currency  
(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- 50 Other than disclosed below, 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

#### Investments made in the equity share capital of Intermediary, during the year:

Name of the Intermediary	Relationship with the Company	Nature of Investment	Date	Amount
HOB Ventures Private Limited	Wholly Owned Subsidiary	3,10,10,000 Equity shares of HOB Ventures Private Limited (Subsidiary company) having face value Rs 10 each, fully paid up	07 February 2022	0.10
			15 February 2022	310.00
Imagine Marketing Singapore Pte Limited	Wholly Owned Subsidiary	2,60,60,000 Equity shares of Imagine Marketing Singapore Pte Ltd having face value USD 1 (at Rs. 74.80/ USD) each, fully paid up	02 February 2022	0.75
			08 February 2022	1,948.54

#### Investments made by HOB Ventures Private Limited, as intermediary, during the year:

Investee Company	Relationship with the Company	Nature of Investment	Date	Amount
Kimirica Lifestyle Private Limited	Associate Company	476 Equity shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up	23 February 2022	29.99
		4286, 0.01% Non Cumulative Compulsory Convertible Preference Shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up		270.02
			23 February 2022	

#### Investments made by Imagine Marketing Singapore Pte Ltd, as intermediary, during the year:

Investee Company	Relationship with the Company	Nature of Investment	Date	Amount
Kaha Pte Ltd	Wholly Owned Subsidiary	26,83,420 Equity shares of Kaha Pte Ltd (Subsidiary Company) having face value of USD 1 each, fully paid	11 February 2022	1,848.53

The above investment is in compliance with the relevant provisions of the Companies Act, 2013 and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)

The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- 51 Information with regards to other matters in the Companies Act are either Nil or Not applicable to the Company

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of  
**Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)**  
CIN: U52300MH2013PLC249758

**Amar Sunder**  
Partner  
Membership No: 078305

**Aman Gupta**  
Director  
DIN: 02249682

**Sameer Mehta**  
Director  
DIN: 02945481

**Vivek Gambhir**  
Director & CEO  
DIN: 06527810

**Ankur Sharma**  
Chief Financial Officer

**Mukesh Ranga**  
Company Secretary

Mumbai, 18 October 2022

Mumbai, 18 October 2022



## Independent Auditors Report

### To the Members of Imagine Marketing Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Imagine Marketing Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associate as were audited by the other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

#### 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Other Information

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit reports of other auditors, 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.

## Independent Auditor's Report (Continued)

## Imagine Marketing Limited

## Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associates are responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.



## Independent Auditor's Report (Continued)

## Imagine Marketing Limited

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated 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 appropriateness of this assumption. 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 consolidated 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 Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

## Other Matters

- a. The consolidated financial statements include the Group's share of net loss (and other comprehensive income) of Rs. Nil for the year ended 31 March 2022, as considered in the consolidated financial statements. In respect of 1 associate, whose financial information has not been audited by us. This unaudited financial information has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial information certified by the Management.





## Independent Auditor's Report (Continued)

## Imagine Marketing Limited

- b. We did not audit the financial statements of 4 subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 2,407.20 million as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 90.04 million and net cash flows (before consolidation adjustments) amounting to Rs. 83.05 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. 7.00 million for the year ended 31 March 2022, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## 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, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associate as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India 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 Holding Company and its subsidiary companies and associate companies 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 and based on the consideration of the reports of the other

## Independent Auditor's Report (Continued)

## Imagine Marketing Limited

auditors on separate financial statements of the subsidiaries and associates, as noted in the 'Other Matters' paragraph

- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group and its associates. Refer Note 33 to the consolidated financial statements.
- b. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate companies incorporated in India during the year ended 31 March 2022.
- d. (i) The respective management of the Holding Company and its subsidiary companies and associate incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 51 to the consolidated 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 Holding Company or any of such subsidiary companies and associate 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 Holding Company or any of such subsidiary companies and associate ('Ultimate Beneficiaries') or
  - \* provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective management of the Holding Company and its subsidiary companies and associate incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and associate respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 51 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies and associate from any persons or entities, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies and associate 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 that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies and associate incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditor/other auditors to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.
- e. The Holding Company and its subsidiary companies, and associate companies incorporated in India has neither declared nor paid any dividend during the year

2

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

**Imagine Marketing Limited**

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 and based on the reports of the statutory auditors of such subsidiary companies and associate incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies and associate to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies and associate is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For BSR & Co. LLP

*Chartered Accountants*

Firm's Registration No..101244W/W-100022



**Amar Sunder**

*Partner*

Place Mumbai

Date: 18 November 2022

Membership No : 078305

ICAI UDIN:22078305BDMKPO4461

**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Imagine Marketing 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)**

- (xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/S subsidiary/As associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Imagine Marketing Limited	U52300MH2013PLC249758	Holding Company	3(ii)(b) 3(vii)(a)
2	Drive Marketing Private Limited	U52520MH2021PTC361514	Subsidiary	3(vii)(a) 3(x)(d) 3(xvi)
3	HOB Ventures Private Limited	U24290MH2021PTC374154	Subsidiary	3(xvii)
4	Kimirica Lifestyle Private Limited	U24246MP2022PTC059090	Associate	3(viii)

The above does not include comments, if any, in respect of the following entity as the report under section 143(1) of the Act is not available.

Name of the entities	CIN	Subsidiary/ JV/ Associate
Sirena Labs Private Limited	U31908KA2019PTC123147	Associate

*A*

B S R & Co. LLP

**Annexure A to the Independent Auditor's Report on the Consolidated  
Financial Statements of Imagine Marketing Limited for the year ended  
31 March 2022 (Continued)**

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

*Chartered Accountants*

Firm's Registration No.:101248WVV-100022



**Amar Sunder**

*Partner*

Place: Mumbai

Date: 18 November 2022

Membership No.: 078305

ICAI UDIN:22078305BDMKPO4461



**Annexure B to the Independent Auditor's Report on the consolidated financial statements of Imagine Marketing Limited for the year ended 31 March 2022**

**Report on the internal financial controls with reference to the aforesaid consolidated 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**

In conjunction with our audit of the consolidated financial statements of Imagine Marketing Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies and its associate companies, as of that date.

In our opinion and based on the consideration of report of the other auditors on internal financial controls with reference to financial statements of subsidiary companies and associate, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies and associate, have, 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 such companies considering the essential components of such internal controls 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 respective 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 respective 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 the respective 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 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and associate in terms of their reports referred to in the Other Matters

**Annexure B to the Independent Auditor's Report on the consolidated financial statements of Imagine Marketing Limited for the year ended 31 March 2022  
(Continued)**

paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements

**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 consolidated 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 consolidated 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 consolidated 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.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

The internal financial controls with reference to financial information insofar as it relates to 1 associate company, which is a company incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditors. In our opinion and according to the information and explanations given to us by the Management, such unaudited associate company is not material to the Holding Company.

*(Signature)*

**Annexure B to the Independent Auditor's Report on the consolidated financial statements of Imagine Marketing Limited for the year ended 31 March 2022  
(Continued)**

Our opinion is not modified in respect of above matters.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No : 101248VWV-100022



Amar Sunder

Partner

Place: Mumbai

Date: 18 November 2022

Membership No.: 078305

ICAI UDIN-22078305BDMKPO4461

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Consolidated Balance Sheet As at 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)				
Particulars	Notes	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	3	28.25	17.47	9.03
Right-of-use assets	4	134.61	97.28	53.84
Goodwill	5	1,783.84	-	-
Other intangible assets	5	1,120.44	48.92	-
Intangible assets under development	5	144.99	-	-
Investments accounted for using the equity method	6	293.01	-	43.33
Financial assets				
Other Investments	7	26.98	24.48	23.31
Other financial assets	8	42.71	17.41	14.30
Non-current tax assets (net)	9	87.83	0.04	8.29
Deferred tax assets (net)	9	33.54	26.10	-
Other non-current assets	10	2.62	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,698.82</b>	<b>231.70</b>	<b>152.10</b>
<b>CURRENT ASSETS</b>				
Inventories	11	5,538.55	3,088.23	749.58
Financial assets				
Trade receivables	12	3,231.15	754.83	552.75
Cash and cash equivalents	13	603.77	1,443.93	73.15
Bank balance other than cash and cash equivalents	14	1,575.84	45.00	12.50
Loans	15	7.21	0.59	0.93
Other financial assets	8	2,531.56	6.05	2.25
Other current assets	10	2,671.95	1,213.94	361.74
<b>TOTAL CURRENT ASSETS</b>		<b>16,160.03</b>	<b>6,552.57</b>	<b>1,752.90</b>
<b>TOTAL ASSETS</b>		<b>19,858.85</b>	<b>6,784.27</b>	<b>1,905.00</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	16	96.04	0.45	0.50
Instruments entirely equity in nature	16	108.72	93.09	-
Other equity	17	5,814.64	4,548.14	714.79
<b>TOTAL EQUITY</b>		<b>6,019.39</b>	<b>4,641.68</b>	<b>715.29</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	18	-	-	134.80
Lease liabilities	19	94.94	77.05	41.41
Other financial liabilities	22	452.46	-	-
Provisions	20	14.70	2.02	0.79
Deferred tax liabilities (net)	9	166.89	-	0.85
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>728.99</b>	<b>79.07</b>	<b>177.85</b>
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	18	9,211.32	415.33	353.31
Lease liabilities	19	45.19	24.57	13.49
Trade payables				
Total outstanding dues of micro enterprise and small enterprises	21	24.43	30.57	3.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	2,163.01	1,175.27	339.62
Other financial liabilities	22	568.70	30.74	10.15
Other current liabilities	23	45.45	83.05	19.72
Provisions	20	1,052.36	208.54	176.85
Current tax liabilities (net)	9	-	95.45	94.84
<b>TOTAL CURRENT LIABILITIES</b>		<b>13,110.46</b>	<b>2,063.52</b>	<b>1,011.86</b>
<b>TOTAL LIABILITIES</b>		<b>13,839.45</b>	<b>2,142.59</b>	<b>1,189.71</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,858.85</b>	<b>6,784.27</b>	<b>1,905.00</b>

Basis of preparation, measurement and significant accounting policies

2

The accompanying notes 3 to 52 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of  
**Imagine Marketing Limited (Formerly known as  
Imagine Marketing Private Limited)**  
CIN: U52300MH2013PLC249758

**Amar Sunder**  
Partner  
Membership No: 078305

**Aman Gupta**  
Director  
DIN: 02249682

**Sameer Mehta**  
Director  
DIN: 02945481

**Vivek Gambhir**  
Director & CEO  
DIN: 06527810

**Ankur Sharma**  
Chief Financial Officer

**Mukesh Ranga**  
Company Secretary

Mumbai, 18 November 2022

Mumbai, 18 November 2022

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Consolidated Statement of Profit and Loss

For the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	24	28,729.01	13,138.03
Other income	25	135.37	65.72
<b>TOTAL INCOME</b>		<b>28,864.38</b>	<b>13,203.75</b>
<b>EXPENSES</b>			
Purchases of stock-in-trade	26	25,915.80	12,547.02
Changes in inventories of stock-in-trade	27	(2,450.32)	(2,338.65)
Employee benefits expense	28	561.22	149.20
Finance costs	29	345.95	118.78
Depreciation and amortisation expense	30	90.74	31.98
Other expenses	31	3,406.48	1,513.23
<b>TOTAL EXPENSES</b>		<b>27,869.88</b>	<b>12,021.56</b>
<b>Profit before share of losses of equity accounted investee and tax</b>		<b>994.50</b>	<b>1,182.19</b>
<b>Share of loss of equity accounted investee (net of tax)</b>		<b>(7.00)</b>	<b>-</b>
<b>Profit before tax</b>		<b>987.50</b>	<b>1,182.19</b>
<b>Tax expense</b>	9		
Current tax		305.84	327.33
Deferred tax		(5.37)	(10.51)
<b>Total tax expense</b>		<b>300.47</b>	<b>316.82</b>
<b>PROFIT FOR THE YEAR (A)</b>		<b>687.04</b>	<b>865.37</b>
<b>OTHER COMPREHENSIVE LOSS</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of the net defined benefit plans		(4.15)	(0.01)
Income tax relating to these items		1.22	0.00
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences in translating financial statements of foreign operations		(20.39)	-
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX (B)</b>		<b>(23.32)</b>	<b>(0.01)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)</b>		<b>663.72</b>	<b>865.36</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		687.04	865.37
Non-controlling interests		-	-
<b>Profit for the year</b>		<b>687.04</b>	<b>865.37</b>
<b>Other comprehensive loss for the year attributable to:</b>			
Owners of the Company		(23.32)	(0.01)
Non-controlling interests		-	-
<b>Other comprehensive loss for the year, net of tax</b>		<b>(23.32)</b>	<b>(0.01)</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		663.72	865.36
Non-controlling interests		-	-
<b>Total comprehensive income for the year</b>		<b>663.72</b>	<b>865.36</b>
<b>Earnings per equity share (face value of Re. 1 each)</b>			
Basic (Rs.)	32	5.10	8.53
Diluted (Rs.)	32	5.09	7.97
<b>Basis of preparation, measurement and significant accounting policies</b>	2		

The accompanying notes 3 to 52 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of  
**Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)**  
CIN: U52300MH2013PLC249758

**Amar Sunder**  
Partner  
Membership No: 078305

**Aman Gupta**      **Sameer Mehta**      **Vivek Gambhir**  
Director      Director      Director & CEO  
DIN: 02249682      DIN: 02945481      DIN: 06527810

**Ankur Sharma**      **Mukesh Ranga**  
Chief Financial Officer      Company Secretary

Mumbai, 18 November 2022

Mumbai, 18 November 2022

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Consolidated Statement of Changes in Equity for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### A. EQUITY SHARE CAPITAL

Particulars	Number of Shares	Amount
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
Equity Shares of ₹ 1/- each fully paid up		
<b>Balance at 1 April 2020</b>	<b>50,000</b>	<b>0.05</b>
Changes in equity share capital during the year due to prior period errors		
<b>Restated Balance at 1 April 2020</b>	<b>50,000</b>	<b>0.05</b>
Changes in equity share capital during the year	(4,934)	(0.00)
<b>Balance at 31 March 2021</b>	<b>45,066</b>	<b>0.05</b>
Changes in equity share capital during the year due to prior period errors	-	-
<b>Restated Balance at 31 March 2021</b>	<b>45,066</b>	<b>0.05</b>
Changes in equity share capital during the year	9,59,85,234	95.99
<b>Balance at 31 March 2022</b>	<b>9,60,30,300</b>	<b>96.04</b>

#### B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	Series A CCPS *		Series B CCPS **	
	Number of Shares	Amount #	Number of Shares	Amount ##
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
<b>Balance at 1 April 2020</b>	-	-	-	-
Changes in Preference share capital during the period due to prior period errors	-	-	-	-
<b>Restated Balance at 1 April 2020</b>	-	-	-	-
Changes in preference share capital during the year	5,109	0.05	15,507	93.04
<b>Balance at 31 March 2021</b>	<b>5,109</b>	<b>0.05</b>	<b>15,507</b>	<b>93.04</b>
Changes in Preference share capital during the period due to prior period errors	-	-	-	-
<b>Restated Balance at 31 March 2021</b>	<b>5,109</b>	<b>0.05</b>	<b>15,507</b>	<b>93.04</b>
Changes in preference share capital during the year	-	-	1,762	10.57
<b>Balance at 31 March 2022</b>	<b>5,109</b>	<b>0.05</b>	<b>17,269</b>	<b>103.61</b>

**Note:** 5,109 Compulsorily Convertible Preference Shares of Rs. 10 each were classified as compound financial instrument on the date of issue. With effect from 5 January 2021, the same have been reclassified as Instrument completely in the nature of Equity. (refer note 16(h) for further details)

\* Series A CCPS represents 0.01% Non-cumulative compulsorily convertible preference shares of Rs 10 each, fully paid up

\*\* Series B CCPS represents 0.01% Cumulative compulsorily convertible preference shares of Rs 6,000 each, fully paid up

# Series A CCPS - Total proceeds received of Rs. 210 million in FY 2018-19 on fresh issuance of Series A CCPS which was classified as compound financial instruments up to 4 January 2021. Refer note 16(h)

## Series B CCPS - Total proceeds received (including securities premium) of Rs. 4,400.09 million in FY 2020-21 and Rs. 499.96 million during the year ended 31 March 2022 on fresh issuance of Series B CCPS.

#### C. OTHER EQUITY

Particulars	Equity component of compound financial instruments	Reserves and Surplus						Retained earnings	Total Other Equity
		Securities Premium	Debenture Redemption Reserve	Capital redemption reserve	General reserve	Share Options Outstanding Account	Foreign Currency Translation Reserves		
<b>Balance at on 1 April 2020</b>	<b>69.34</b>	-	<b>11.25</b>	-	-	<b>3.00</b>	-	<b>631.20</b>	<b>714.79</b>
Profit for the year	-	-	-	-	-	-	-	865.37	865.37
Other comprehensive income for the year	-	-	-	-	-	-	-	(0.01)	(0.01)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	<b>865.36</b>	<b>865.36</b>
Securities premium on preference shares issued	-	4,307.05	-	-	-	-	-	-	4,307.05
Securities premium on account of change in classification of compound financial instrument	-	209.95	-	-	-	-	-	-	209.95
Expenses incurred directly in connection with issue of CCPS	-	(91.52)	-	-	-	-	-	-	(91.52)
Securities premium utilised for buy back of equity shares	-	(1,135.45)	-	-	-	-	-	-	(1,135.45)
Securities premium transferred to capital redemption account on buy back of equity shares	-	(0.05)	-	0.05	-	-	-	-	-
Buy back distribution tax	-	-	-	-	-	-	-	(264.52)	(264.52)
Share-based payments to employees	-	-	-	-	-	11.82	-	-	11.82
Reversal of deferred tax originally recognised on equity component of compound financial instrument on reclassification	16.44	-	-	-	-	-	-	-	16.44
Reclassification of Equity component of CCPS from Other equity to Instruments entirely Equity in nature	(85.78)	-	-	-	-	-	-	-	(85.78)
Transferred to general reserve	-	-	(11.25)	-	11.25	-	-	-	-
<b>Balance at 31 March 2021</b>	-	<b>3,289.98</b>	-	<b>0.05</b>	<b>11.25</b>	<b>14.82</b>	-	<b>1,232.04</b>	<b>4,548.14</b>
Profit for the year	-	-	-	-	-	-	-	687.04	687.04
Other comprehensive income for the year	-	-	-	-	-	-	20.39	(2.93)	17.46
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>20.39</b>	<b>684.11</b>	<b>704.50</b>
Securities premium on preference shares issued	-	489.39	-	-	-	-	-	-	489.39
Securities premium on Equity shares issued	-	19.54	-	-	-	-	-	-	19.54
Expenses incurred directly in connection with issue of CCPS	-	(12.07)	-	-	-	-	-	-	(12.07)
Utilised for issue of bonus shares	-	(99.80)	-	(0.05)	-	-	-	-	(99.85)
Share-based payments to employees	-	-	-	-	-	155.72	-	-	155.72
Issue of equity shares on exercise of employee stock options	-	17.81	-	-	-	(8.54)	-	-	9.27
<b>Balance at 31 March 2022</b>	-	<b>3,704.85</b>	-	-	<b>11.25</b>	<b>162.00</b>	<b>20.39</b>	<b>1,916.15</b>	<b>5,814.64</b>

Refer note 17B for nature and purpose of reserves.

The accompanying notes 3 to 52 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of  
**Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)**  
CIN: U52300MH2013PLC249758

**Amar Sunder**  
Partner  
Membership No: 078305

**Aman Gupta**  
Director  
DIN: 02249682

**Sameer Mehta**  
Director  
DIN: 02945481

**Vivek Gambhir**  
Director & CEO  
DIN: 06527810

**Ankur Sharma**  
Chief Financial Officer

**Mukesh Ranga**  
Company Secretary

Mumbai, 18 November 2022

Mumbai, 18 November 2022

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Consolidated Statement of Cash Flows For the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	987.50	1,182.19
<i>Adjustments for:</i>		
Share of net loss of equity accounted investees	7.00	-
Depreciation and amortisation expense	90.74	31.98
Share based payment expense	155.72	11.82
Interest on fixed deposits	(96.63)	(21.38)
Interest income others	(0.79)	-
Interest on income tax refund	-	(0.64)
Fair valuation (gain)/loss from investments designated at FVTPL	(2.51)	(1.17)
Liabilities no longer required, written back	(0.45)	(0.03)
Provisions no longer required, written back	(6.41)	(14.33)
Gain on derecognition of liability component of CCPS	-	(20.43)
Gain on waiver of lease liabilities	-	(3.35)
Gain on derecognition of leases	(4.83)	-
Finance cost	345.95	118.78
Provision for impairment of non-current investment	-	43.33
Provision for loss allowance for trade receivables	7.14	-
Provision for doubtful advances	38.16	28.63
Provision for doubtful interest receivable on trade advance	-	1.77
Provision for slow and non moving inventory	86.61	168.30
Provision for warranty	484.88	181.94
Provision for expected return liability	550.00	20.95
Unrealised foreign exchange (gain) / loss	8.00	(11.78)
<b>Operating profit before working capital changes</b>	<b>2,650.08</b>	<b>1,716.58</b>
<i>Adjustments for :</i>		
(Increase) in inventories	(2,509.66)	(2,506.95)
(Increase) in trade receivables	(2,423.31)	(187.75)
(Increase) in loans	(6.62)	0.34
(Increase) in other financial assets	(26.58)	(5.14)
(Increase) in other current and non-current assets	(1,337.22)	(880.83)
Increase in trade payables	683.31	873.06
(Decrease)/Increase in other financial liabilities	(7.89)	16.31
(Decrease)/Increase in other current liabilities	(40.46)	56.17
(Decrease) in current and non-current provisions	(179.60)	(169.97)
<b>Cash (used in) operations</b>	<b>(3,197.96)</b>	<b>(1,088.18)</b>
Taxes paid (net of refunds)	(489.08)	(332.83)
<b>Net Cash flows (used in) operating activities (A)</b>	<b>(3,687.04)</b>	<b>(1,421.01)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiary pursuant to business combination	(1,924.69)	-
Investment made in equity shares of an associate company	(300.01)	-
Purchase of property, plant and equipment	(27.29)	(16.40)
Purchase of intangible assets	(114.63)	(35.50)
Fixed deposits placed (net)	(3,967.03)	(32.50)
Interest on fixed deposits	10.73	17.84
<b>Net cash flow (used in) investing activities (B)</b>	<b>(6,322.91)</b>	<b>(66.56)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of preference shares, including securities premium	499.96	4,400.09
Proceeds from issue of equity shares, including securities premium	29.60	-
Expenses incurred for issuance of preference share capital	(12.07)	(91.52)
Payment towards buy back of equity shares	-	(1,135.50)
Payment towards distribution tax on buy back of equity shares	-	(264.52)
Proceeds from issue of debentures	-	-
Repayment towards debentures	-	(112.50)
Proceeds from term loan	-	100.00
Repayment towards term loan	(58.82)	(60.00)
Proceeds from short-term borrowings other than cash credit (net)	8,854.81	145.72
Repayment of lease liabilities	(50.90)	(19.26)
Interest and other borrowing costs paid	(318.96)	(92.96)
<b>Net cash flow generated from financing activities (C)</b>	<b>8,943.62</b>	<b>2,869.55</b>
Effect of exchange differences on translation of foreign currency	16.74	-
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(1,049.59)</b>	<b>1,381.98</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,443.93</b>	<b>61.95</b>
<b>Add : Cash acquired on Business Combination</b>	<b>209.44</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>603.77</b>	<b>1,443.93</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	0.72	0.07
Balance with banks		
In current accounts	603.05	42.00
In deposits with original maturity of less than 3 months	-	1,401.86
<b>Total cash and cash equivalents (refer note 13)</b>	<b>603.77</b>	<b>1,443.93</b>

The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Consolidated Statement of Cash Flows

For the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### Reconciliation between opening and closing balance sheet for liabilities arising from financing activities:

	Opening balance 1 April 2021	Cash flows	Non- cash movement	Closing balance 31 March 2022
Long-term borrowings (including current maturities)	58.82	(58.82)	-	-
Short term borrowings	356.51	8,854.81	-	9,211.32
Leases	101.62	(50.90)	89.41	140.13
<b>Total liabilities from financing activities</b>	<b>516.95</b>	<b>8,745.09</b>	<b>89.41</b>	<b>9,351.45</b>

#### Reconciliation between opening and closing balance sheet for liabilities arising from financing activities:

	Opening balance 1 April 2020	Cash flows	Non- cash movement	Closing balance 31 March 2021
Long-term borrowings (including current maturities)	266.12	(72.50)	(134.80)	58.82
Short term borrowings	210.79	145.72	-	356.51
Leases	54.90	(19.26)	65.98	101.62
<b>Total liabilities from financing activities</b>	<b>531.81</b>	<b>53.96</b>	<b>(68.82)</b>	<b>516.95</b>

Non-cash movement represents:

- With respect to long-term borrowings, accrual of interest on liability component of compound financial instruments and reclassification of liability component to Instrument entirely equity in nature (Refer note 16(h)).
- With respect to leases, accrual of interest on lease liabilities.

During the year, the Holding Company has converted 2,559 Series A CCPS to 2,559 equity shares of Rs 10 each. The same has been treated as non-cash items and accordingly not reflected in the Consolidated Statement of Cash Flows. (Refer note 16)

The accompanying notes 3 to 52 are an integral part of these Consolidated Financial Statements.

As per our report of even date attached

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

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of

**Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)**

CIN: U52300MH2013PLC249758

**Amar Sunder**

Partner

Membership No: 078305

**Aman Gupta**

Director

DIN: 02249682

**Sameer Mehta**

Director

DIN: 02945481

**Vivek Gambhir**

Director & CEO

DIN: 06527810

**Ankur Sharma**

Chief Financial Officer

**Mukesh Ranga**

Company Secretary

Mumbai, 18 November 2022

Mumbai, 18 November 2022



## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 1 GROUP INFORMATION

Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited \*) ("Holding Company" or "Company") was incorporated on 1 November 2013 under the erstwhile Companies Act, 1956. The registered office of the Holding Company is in Mumbai, Maharashtra, India. The principal place of business of the Holding Company is in India. The Holding Company is engaged in the business of trading of digital-first consumer technology products such as headphones, earphones, speakers, wearables and related accessories.

\* the Holding Company has changed its name from Imagine Marketing Private Limited to Imagine Marketing Limited based on the approval from Registrar of Companies, Maharashtra and accordingly it has become a public limited company.

The Holding Company and its subsidiaries (hereinafter jointly referred to as the 'Group') together with the Group's interest in the associates considered in these Consolidated financial statements are:

##### a) Subsidiary

Name of the company	Country of incorporation	Principal activities	Proportion (%) of equity interest		
			As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Dive Marketing Private Limited *	India	Sub-license of brand	100%	-	-
HOB Ventures Private Limited @	India	House the Brands and provide advisory service to FMCG	100%	-	-
Imagine Marketing Singapore Pte Ltd #	Singapore	Investment and Trading Company	100%	-	-
Kaha Technologies Private Limited \$	India	Software Development, Consultancy and Implementation	100%	-	-

\* New subsidiary incorporated with effect from 3 June 2021.

@ New subsidiary incorporated with effect from 31 December 2021.

# New subsidiary incorporated with effect from 29 November 2021.

\$ Holding Company acquired the entity on 2 February 2022.

##### b) Step Down Subsidiary

Name of the company	Country of incorporation	Principal activities	Proportion (%) of equity interest		
			As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Kaha Pte Ltd ^ (Holding Company - Imagine Marketing Singapore Pte Ltd)	Singapore	Develop, design and trading in electronic product	100%	-	-
Kaha Technology (ShenZhen) Co. Limited (Holding Company - Kaha Pte Ltd)	China	Trading in electronic product	100%	-	-

^ Imagine Marketing Singapore Pte Limited subsidiary of Holding Company acquired the entity on 10 February 2022.

##### b) Associate

Indian Accounting Standard (Ind AS) 28 on Investments in Associates and Joint Ventures defines Associate as an entity over which the investor has significant influence. It mentions that if an entity holds, directly or indirectly through intermediaries, 20 per cent or more of the voting power of the enterprise, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

The Group holds investments in the below entities which by share ownership are deemed to be an associate company:

Name of the company	Country of incorporation	Principal activities	Proportion (%) of equity interest		
			As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Sirena Labs Private Limited @	India	Designing, developing and manufacturing smart speakers	21.19%	23.00%	27.00%
Kimirica Lifestyle Private Limited **	India	Manufacturing & Selling of Personal & beauty care products	33.33%	-	-

@ Associate with effect from 5 November 2019.

\*\* Shares held by HOB Ventures Private Limited subsidiary of Holding Company with effect from 23 February 2022.

#### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of preparation and measurement

###### A. Statement of Compliance

The Consolidated Financial Statements of the Group comprise of Consolidated Balance Sheet as at 31 March 2022, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended 31 March 2022 (hereinafter collectively referred to as "Consolidated Financial Statements").

These Consolidated 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 Consolidated Financial Statements up to and for the year ended 31 March 2021 were prepared in accordance with the Companies (Accounting Standard) Rules, 2006 notified under section 133 of the Act and other relevant provision of the Act.

As these are the Group's first Consolidated Financial Statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 43.

These Consolidated Financial Statements were approved by the Board of Directors of the Company in their meeting held on 18 November 2022.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.1 Basis of preparation and measurement (continued)

##### B. Basis of preparation

The accounting policies set out below have been applied consistently to the years presented in the Consolidated Financial Statements. These Consolidated Financial Statements have been prepared as a going concern basis.

##### C. Basis of measurement

The Consolidated Financial Statements has been prepared on a historical cost convention, except for the following:

- (i) Employee's defined benefit plan at fair value of plan assets less present value of defined benefit obligation determined as per actuarial valuation;
- (ii) Certain financial assets and liabilities that are qualified to be measured at fair value; and
- (iii) Share based payments at fair value of the options on the date of the grant.

##### D. Functional currency and presentation

The Consolidated Financial Statements has been presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions and decimals thereof, unless otherwise mentioned.

##### E. Use of estimates, assumptions and judgements

The preparation of Consolidated Financial Statements is in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent liabilities on the date of Consolidated Financial Statements and the reported amount of income and expenses for the year reported. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

##### Assumption and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the amounts recognised in the Consolidated Financial Statements is included in the following notes:

- Note 2.3 (e) - Impairment test of non-financial assets and financials assets
- Note 2.3 (j) - Measurement of defined benefit obligations: key actuarial assumptions
- Note 2.3 (m) - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 2.3 (n) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2.3 (f) and 2.3 (o) - Provision for obsolete inventory and provision for warranties

##### E. Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
  - Held primarily for the purpose of trading
  - Expected to be realised within twelve months after the reporting period, or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle,
  - It is held primarily for the purpose of trading,
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

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

##### F. Fair value measurement

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

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 Group 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.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.2 Principles of consolidation

##### A. Subsidiaries

The Consolidated financial statements comprise the financial statements of the Group and its associates as at 31 March 2022, 31 March 2021 and 01 April 2020. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company i.e. for the years ended 31 March 2022. When the end of the reporting year of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the Consolidated financial statements of the Holding Company to enable the Holding Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

##### *Consolidation procedure:*

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

##### B. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

##### C. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. The share of non-controlling interest is restricted to the extent of contractual obligation of the Group.

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the Consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest in joint venture or financial asset.

##### D. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

##### E. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in an associate.

An associate is an entity in which the Group has significant influence, but does not control or joint control the financial and/ or operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the Consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

##### F. Goodwill

- (a) Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.
- (b) Goodwill arising from the acquisition of associates and joint ventures is included in the carrying value of the investment in associates and joint ventures.
- (c) Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Consolidated Statement of Profit and Loss if any.
- (d) Goodwill on acquisition of the foreign subsidiaries is restated at the rate prevailing at the end of the year.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 Summary of significant accounting policies

##### (a) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized. The Group has a single stream of revenue i.e. Sale of products.

##### Sale of products

The Group recognises revenue at a point in time when the performance obligation is satisfied, i.e. when 'control' of the goods underlying the particular performance obligation are transferred to the customer. Customers obtain control of the good when the goods are delivered at the agreed point of delivery which generally is the premises of the customer.

Further, revenue from sale of goods is recognised based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

##### Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

##### Right of return

The Group provides a customer with a right to return in case of any defects or on grounds of quality. The Group uses the expected value method to estimate the goods that will be returned. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer.

##### Contract balances

Contract assets: The Group 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.

Contract liabilities: A contract liability (which we referred to as Unearned Revenue) is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received.

Trade receivables: A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets for guidance on recognition and measurement. The credit period offered to customers generally ranges from 30 days to 60 days.

##### (b) Recognition of dividend income, 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.

Dividend income is recognised in the Consolidated statement of profit and loss on the date on which the Group's right to receive payment is established.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 Summary of significant accounting policies (continued)

##### (c) Property, Plant and Equipment

###### Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the subsequent expenditure can be measured reliably.

Items such as spare parts, stand-by equipment and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the Consolidated statement of profit and loss as and when incurred.

###### Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

###### Depreciation and useful lives - Indian Entities

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on Property, Plant and Equipment is calculated on the depreciable amount using the written down value method using the rates arrived at based on the useful lives estimated by the management which are in lines with those prescribed in Part C of schedule II of the Act.

Tangible Asset	Useful Life
Plant and Equipment	2 years
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years

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).

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

###### Depreciation and useful lives - International Entities

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in profit or loss and calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives of each component of an item of plant and equipment. The estimated useful lives for the current and comparative years are as follows:

Tangible Asset	Useful Life
Furniture and fixtures	3 years
Office equipment	1 year
Computers	1 year

###### Derecognition

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

###### Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at 1 April 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. The Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions) as per Ind AS 101 as initially adopted on transition date i.e. 1 April 2020. Also, refer note 3 (v).

##### (d) Intangible assets

###### Recognition and measurement

Intangible assets comprise primarily of brands, software, patents and trademarks. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in the statement of profit and loss as incurred.

###### Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight line method, and is included in the Depreciation and Amortisation expense in the Statement of profit and loss. The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible Asset	Useful Life
Brands	10 years
Software	3 years
Patents and Trademarks	4 to 10 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes are accounted for as a change in an accounting estimate.

###### Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Consolidated statement of profit and loss when the asset is derecognised.

###### Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all the items of intangible assets recognized as at 1 April 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 2.3 Summary of significant accounting policies (continued)

###### (e) Impairment

###### (i) Non-financial assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit (CGU). If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss.

Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is reversed in the Consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

###### (ii) Financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group recognises loss allowances using the expected credit loss (ECL) model as per Ind AS 109 for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12 month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

The Group considers a financial asset to be in default when:

- the counter party is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off during the year.

###### (f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realisable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolescence, damage or slow moving items. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

###### (g) Financial Instruments

###### Financial Assets

###### i) Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Group becomes a party to contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction cost that are directly attributable to its acquisition or issue.

###### ii) Classification and subsequent measurement

On initial recognition, a financial instrument is classified and measured at

- Amortised cost
- Fair value through other comprehensive income (FVOCI) - debt instruments;
- Fair value through other comprehensive income (FVOCI) - equity investments; 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 Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both 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 assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt instrument 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 collect contractual cash flows and selling financial assets; and
- The contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Group 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.

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

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 Summary of significant accounting policies (continued)

##### (g) Financial Instruments (continued)

###### Financial Assets (continued)

###### Subsequent measurement and gains and losses

###### Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in 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 recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

###### Debt investments at FVTOCI:

These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

###### Equity investments at FVTOCI:

These assets are subsequently measured at fair value. Dividends are recognized 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 recognized in OCI and are not reclassified to profit or loss.

###### iii) Derecognition of financial assets

A financial asset is derecognized only when:

- The Group has transferred the rights to receive cash flows from financial asset or
- Retains the contractual rights to receive the cash flows from financial asset but assumed a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized. Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

###### Financial liability

###### i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost. All financial liabilities are recognized initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

###### ii) Subsequent measurement

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

###### Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognized in the profit or loss.

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

###### Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

###### Derecognition

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

###### Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

###### Compound financial instruments

Compound financial instruments issued by the Group comprise convertible debentures denominated in INR that can be converted to equity shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 Summary of significant accounting policies (continued)

##### (h) Cash and cash equivalents

Cash and cash equivalent includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

##### Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Bank overdrafts and cash credits which are repayable on demand form an integral part of Group's cash management and are included as a component of cash and cash equivalents.

##### (i) Foreign Currency transactions and translations

Foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Consolidated statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in Consolidated statement of profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

##### Translation of financial statements of foreign operations

Assets and liabilities of foreign entities are translated into Indian Rupees on the basis of the closing exchange rates as at the end of the year. Income and expenditure and cash flow are generally translated using average exchange rates for the period unless those rates do not approximate the actual exchange rates at the dates of specific transactions, in which case the exchange rates as at the dates of transaction are used. All resulting exchange differences are recognised in Other Comprehensive Income. On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to the Consolidated Statement of Profit and Loss, as a part of gain or loss on sale.

##### (i) Employee Benefits

###### (i) Defined Contribution Plan

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 Group makes specified contributions towards Government administered provident fund scheme, labour welfare fund and employees' state insurance 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.

###### (ii) Defined Benefit Plan

The Group's gratuity plan is a defined benefit plan. The Group'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 present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the Consolidated statement of other comprehensive income in the period in which they occur and not reclassified to the Consolidated statement of profit and loss in the subsequent period. The Group 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 related to defined benefit plans are recognised under "Finance costs" in the Consolidated statement of profit and 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 or the gain or loss on curtailment is recognised immediately in the Consolidated statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the Consolidated statement of profit and loss.

###### (iii) Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Short term employee benefits 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. short term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

###### (iv) Other long-term employee benefits:

The Group's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated at the balance sheet date on the basis of an actuarial valuation done by an independent actuary using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. Remeasurements gains or losses are recognised in the Consolidated statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.



## **Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)**

### **Notes to the Consolidated Financial Statements for the year ended 31 March 2022**

*(All amounts are in Rs. million, unless otherwise stated)*

#### **(v) Equity settled share based payments**

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Consolidated Statement of Profit and Loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.3 Summary of significant accounting policies (continued)

##### (k) Borrowing Costs

Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method;
- (ii) finance charges in respect of leases;
- (iii) interest expenses on bill discounting; and
- (iv) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Consolidated statement of profit and loss in the period in which they are incurred.

All other borrowing costs are recognised in the Consolidated statement of profit and loss in the period in which they are incurred.

##### (l) Leases

Effective 1 April 2020 (date of transition to Ind AS in accordance with the transition provision specified under Ind AS 101), the Group has applied Ind AS 116. For the purpose of preparation of Consolidated Financial Statements, the management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for each of the year ended 31 March 2021. Hence in these Consolidated Financial Statements, Ind AS 116 has been adopted with effect from 1 April 2020 recognising right-of-use assets and lease liabilities from the date of commencement of each lease.

The Consolidated Financial Statements for the year ended 31 March 2021 have been prepared after incorporating Ind AS adjustments (both re-measurements and reclassifications) to be made in accounting heads from their Accounting Standards values as on the date of transition (i.e. 1 April 2020) following accounting policies consistent with that used at the date of transition to Ind AS. The Ind AS adjustments as described above are more fully described in Note 43 to the Consolidated Financial Statements.

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

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

The group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

##### Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

##### Lease liability

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

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

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

The Group has applied 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) and low-value assets recognition exemption.

##### (m) Income Taxes

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.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 2.3 Summary of significant accounting policies (continued)

###### (m) Income Taxes (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 Group 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 Group 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

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 Group 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.

###### (n) Provisions, Contingent liabilities and Contingent assets

###### (i) General provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Consolidated statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

###### (ii) Onerous contract

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

###### (iii) Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

###### (iv) Contingent assets

Contingent assets are neither recognised nor disclosed in the Consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

###### (o) Warranties

The Holding Company recognises provision for warranties in respect of the products that it sells. These are reviewed at each balance sheet date and adjusted to reflect the current estimates. A provision is recognised for expected warranty claims on products sold during the year based on the past trend for actual warranty claims.

###### (p) Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the owners of the Group for the year by the weighted average number of equity shares outstanding during the reporting period (including instruments entirely equity in nature). The diluted earnings per share is computed by dividing the profit attributable to equity holders (after adjusting the cost recognised during the period for convertible instruments) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

###### (q) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer who is designated the chief operating decision maker (CODM). The Group has identified reportable segments based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The CODM monitors the operating results of the entity at segment level for the purpose of making decisions about resource allocation and performance assessment.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Other expenses which are not attributable or allocable to segments are disclosed separately. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Consolidated financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### (r) Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of Profit and Loss.

Business combinations arising from transfers of interests in entities that are under common control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to Other equity in a separate reserve account.

#### 2.4 Recent accounting developments and pronouncements

Ministry of Corporate Affairs ("MCA"), vide notification dated 23rd March 2022, has made the following amendments to Ind As which are effective from 1st April, 2022

- a. Ind As 109: Annual Improvements to Ind As (2021)
- b. Ind As 103: Reference to Conceptual Framework
- c. Ind As 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind As 16: Proceeds before intended use

Based on preliminary assessment, the Group does not expect these amendments to have any significant impact on its Financial Statements.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 3 PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment	Furniture and fixtures	Office equipment	Computers	Total
<b>Cost or Deemed Cost</b>					
<b>Gross block</b>					
As at 1 April 2020 *	-	1.32	5.34	2.37	9.03
Additions	2.97	0.42	6.59	6.42	16.40
Deletions	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>2.97</b>	<b>1.74</b>	<b>11.93</b>	<b>8.79</b>	<b>25.43</b>
Additions	2.02	0.59	7.52	13.79	23.92
Additions on account of Business Combination	-	0.06	0.15	3.15	3.37
Deletions	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>4.99</b>	<b>2.39</b>	<b>19.60</b>	<b>25.74</b>	<b>52.72</b>
<b>Accumulated depreciation</b>					
As at 1 April 2020 *	-	-	-	-	-
Depreciation for the year	1.28	0.38	3.08	3.22	7.96
Deletions	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>1.28</b>	<b>0.38</b>	<b>3.08</b>	<b>3.22</b>	<b>7.96</b>
Depreciation for the year	1.67	0.45	5.72	8.67	16.51
Deletions	-	-	-	-	-
<b>As at 31 March 2022</b>	<b>2.95</b>	<b>0.83</b>	<b>8.80</b>	<b>11.89</b>	<b>24.47</b>
<b>Net Block</b>					
As at 1 April 2020	-	1.32	5.34	2.37	9.03
As at 31 March 2021	1.69	1.36	8.85	5.57	17.47
As at 31 March 2022	2.04	1.56	10.80	13.85	28.25

\* Deemed cost (refer footnote (v) below). Also refer note 43 for details regarding first time adoption of Ind AS.

#### Notes:

- The Holding Company has created a charge on its property, plant and equipment for its borrowings (refer to note 18)
- The Group does not own any immovable property.
- The Group has not revalued its property, plant and equipment.
- For details of contractual commitment with respect to property, plant and equipment refer note 34.
- Reconciliation of deemed cost to values under previous GAAP:

Particulars	Plant and Equipment	Furniture and fixtures	Office equipment	Computers	Total
Gross block as at 01 April 2020	-	1.81	7.16	5.21	14.18
Accumulated depreciation as at 31 March 2021	-	(0.49)	(1.82)	(2.84)	(5.15)
<b>Deemed cost as at 01 April 2020</b>	<b>-</b>	<b>1.32</b>	<b>5.34</b>	<b>2.37</b>	<b>9.03</b>

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 4 RIGHT-OF-USE ASSETS

	Buildings	Total
<b>Gross block</b>		
As at 1 April 2020	63.57	63.57
Additions	64.88	64.88
Deletions	(0.87)	(0.87)
As at 31 March 2021	127.58	127.58
Additions	86.71	86.71
Additions on account of Business Combination	8.85	8.85
Deletions	(24.46)	(24.46)
As at 31 March 2022	198.69	198.69
<b>Accumulated depreciation</b>		
As at 1 April 2020	9.73	9.73
Depreciation for the year	21.44	21.44
Deletions	(0.87)	(0.87)
As at 31 March 2021	30.30	30.30
Depreciation for the year	45.59	45.59
Deletions	(11.82)	(11.82)
As at 31 March 2022	64.07	64.07
<b>Net Block</b>		
As at 1 April 2020	53.84	53.84
As at 31 March 2021	97.28	97.28
As at 31 March 2022	134.61	134.61

#### Notes:

- (i) The Holding Company has lease contracts for premises obtained for warehousing and office purposes. Leases of premises generally have lease terms between 2 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.
- (ii) Refer note 19 for disclosures pertaining to lease liabilities.
- (iii) The following amount are recognised in the profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation expenses of right of use assets (refer note 30)	45.59	21.44
Interest expenses on lease liabilities (refer note 19(ii))	10.84	5.53
Expenses relating to short term leases (refer note 31)	16.57	7.33

- (iv) The lease agreements for immovable properties where the Group is the lessee are duly executed in favour of the Group.
- (v) The Group has not revalued its Right-of-use assets.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 5 GOODWILL, OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

	Goodwill	Brands	Software	Patent and Trademarks	Total
<b>Cost</b>					
As at 1 April 2020	-	-	-	-	-
Additions	-	51.50	-	-	51.50
Deletions	-	-	-	-	-
As at 31 March 2021	-	51.50	-	-	51.50
Additions on account of Business Combination *	1,783.84	-	80.73	986.47	1,067.21
Additions	-	32.96	-	-	32.96
Deletions	-	-	-	-	-
As at 31 March 2022	1,783.84	84.46	80.73	986.47	1,151.67
<b>Accumulated amortisation</b>					
As at 1 April 2020	-	-	-	-	-
Amortisation for the year	-	2.58	-	-	2.58
Deletions	-	-	-	-	-
As at 31 March 2021	-	2.58	-	-	2.58
Amortisation for the year	-	10.33	1.37	16.94	28.64
Deletions	-	-	-	-	-
As at 31 March 2022	-	12.91	1.37	16.94	31.22
<b>Net Block</b>					
As at 1 April 2020	-	-	-	-	-
As at 31 March 2021	-	48.92	-	-	48.92
As at 31 March 2022	1,783.84	71.55	79.36	969.53	1,120.44

\* Refer note 44 for Business Combination

#### Note:

- (i) During the year ended 31 March 2021, the Holding Company has purchased "RedGear" brand from Redwood Interactive, a partnership firm in which a Key Management Personnel of the Company (Mr. Sameer Mehta - Director) is having significant influence, for a total consideration of Rs. 50 million (Refer note 37 for details of related party transactions). Stamp duty expense of Rs. 1.5 million has been capitalised in the cost of brand. The useful life of the said brand is estimated at 10 years from the date from when the brand is available for use i.e. the date of purchase.
- (ii) The Group has not revalued its intangible assets.

#### Intangible Assets under Development

	Total
As at 1 April 2020	-
Additions	-
Capitalised during the year	-
As at 31 March 2021	-
Additions on account of Business Combination *	63.31
Additions	81.67
Capitalised during the year	-
As at 31 March 2022	144.99

#### (a) Ageing schedule for Intangible Assets under development

Intangible assets under development	Ageing - Other intangible asset under development				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	144.99	-	-	-	144.99
Projects temporarily suspended	-	-	-	-	-

#### (b) For Intangible assets under development, none of the assets are overdue for completion or has exceeded its cost compared to its original plan.

- (iii) The Goodwill of Rs. 1,783.84 million has arisen during the year pursuant to the acquisition of the KaHa Group (Refer note 44 for further details). The Group has performed an impairment testing of goodwill that is required to be performed annually. As part of the impairment test, the recoverable amount is determined based on value-in-use calculations, estimated as the present value of projected future cashflows which require the use of assumptions.

#### Key assumptions used in calculating the discounted cash flows

Particulars	India Operations		Singapore Operations	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Discount rate	16.98%	NA	9.68%	NA
Average annual revenue growth rates	25.00%	NA	35.00%	NA
Long - Term sustainable growth rates	3.00%	NA	1.50%	NA
Operating margins	12.00%	NA	22.00%	NA

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections for all CGUs included specific estimates for 5 years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compounded annual EBITDA growth rate.

Financial forecasts was prepared taking into account past experience and the Group's future business plans.

The Group has performed sensitivity analysis around the base assumptions and has concluded there are no reasonably possible changes in a key assumption that would cause the carrying amount to exceed recoverable amount.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 6 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current</b>			
<b>Unquoted</b>			
<b>Investment in Associate Company</b>			
476 Equity shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up (at cost)	29.99	-	-
4286, 0.01% Non Cumulative Compulsory Convertible Preference Shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up (at cost)	270.02	-	-
Less: Share of net loss of equity accounted investees (net of income tax) from date of acquisition	(7.00)		
3,703 (31 March 2021: 3,703; 01 April 2020 : 3,703)	43.33	43.33	50.00
Equity shares of Sirena Labs Private Limited (Associate company) having face value Rs 10 each, fully paid up (includes Goodwill of Rs. 61.99 million)			
Less: Share of net loss of equity accounted investees (net of income tax) from date of acquisition (Refer note 41)	-	-	-
Less: Loss allowance (provision for impairment) (Refer note 41) #	(43.33)	(43.33)	(6.67)
<b>Total</b>	<b>293.01</b>	<b>-</b>	<b>43.33</b>

#### Note:

- (i) The Holding Company assessed the recoverability of the investment made in the equity shares of Sirena Labs Private Limited. Since the probability of recovery of the value of investment was considered to be remote, the management recognised a full provision for impairment as at 31 March 2021. This is settled subsequent to balance sheet date vide settlement agreement dated 31 May 2022
- (ii) The Group has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

#### 7 INVESTMENTS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current</b>			
<b>Investments measured at fair value through profit or loss (Quoted)</b>			
Investments in Mutual Funds	26.98	24.48	23.31
<b>Total</b>	<b>26.98</b>	<b>24.48</b>	<b>23.31</b>
Aggregate amount of quoted investments	26.98	24.48	23.31
Market value of quoted investments	26.98	24.48	23.31
Aggregate amount of unquoted investments	300.01	43.33	43.33
Aggregate amount of impairment in value of investments	(43.33)	(43.33)	-

#### 8 OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current</b>			
Security deposits	42.71	17.41	14.30
<b>Total</b>	<b>42.71</b>	<b>17.41</b>	<b>14.30</b>
<b>Current</b>			
Security deposits	8.43	2.48	0.45
Less: Allowance for bad and doubtful deposits	(3.31)	-	-
Bank deposits with original maturity of more than 12 months but remaining maturity of less than 12 months	2,436.19	-	-
Others (including interest receivable)	92.03	5.34	1.80
Allowance for interest receivable on trade advance considered doubtful	(1.77)	(1.77)	-
<b>Total</b>	<b>2,531.56</b>	<b>6.05</b>	<b>2.25</b>
<b>(i) Details of lien against bank deposits:</b>			
Security lien towards RBL working capital demand loan	51.19	-	-
Security lien towards ICICI cash credit facility and working capital demand loan	1,100.00	-	-
Security lien towards HDFC working capital demand loan	60.00	-	-
Security lien towards HSBBC working capital demand loan and overdraft facility	1,150.00	-	-
Security lien towards SCB working capital demand loan	75.00	-	-
	<b>2,436.19</b>	<b>-</b>	<b>-</b>

- (ii) The movement in allowance for interest receivable on trade advance is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
<b>Balance as at beginning of the year</b>	<b>1.77</b>	<b>-</b>	<b>-</b>
Change in allowance during the year	-	1.77	-
Written off during the year	-	-	-
<b>Balance as at the end of the year</b>	<b>1.77</b>	<b>1.77</b>	<b>-</b>

Refer note 35 - Financial instruments, fair values and risk measurement



## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 9 INCOME TAXES

##### A. Components of income tax expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>I. Tax expense recognised in Profit and Loss</b>		
<b>Current Tax Expense</b>		
Current tax on profits for the year	305.46	325.16
Adjustments for the current tax of prior periods	0.38	2.17
<b>Total Current Tax Expense</b>	<b>305.84</b>	<b>327.33</b>
<b>Deferred Tax Expense</b>		
Origination and reversal of temporary differences	(5.37)	(10.51)
<b>Total Deferred Tax Expense</b>	<b>(5.37)</b>	<b>(10.51)</b>
<b>Income tax expenses recognised in profit and loss</b>	<b>300.47</b>	<b>316.82</b>
<b>II. Tax expense recognised in Other Comprehensive Income</b>		
<b>Deferred Tax Expense</b>		
Net (loss)/gain on remeasurements of defined benefit plans	(1.22)	(0.00)
<b>Income tax expenses recognised in other comprehensive income</b>	<b>(1.22)</b>	<b>(0.00)</b>
<b>III. Tax expense recognised in Equity</b>		
<b>Deferred Tax Expense</b>		
Liability component of CCPS	-	(16.44)
<b>Income tax expenses recognised in equity</b>	<b>-</b>	<b>(16.44)</b>

##### B. Reconciliation of Effective Tax Rate

The reconciliation between the statutory income tax rate applicable and the effective income tax rate is as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Weighted Average Statutory income tax rate applicable to group for the year</b>	<b>25.58%</b>	<b>25.17%</b>
<i>Differences due to:</i>		
Expenses not deductible for tax purposes	2.79%	1.51%
Impact of adjustments for the current tax of prior periods	0.03%	0.18%
Deferred tax asset not recognised	1.17%	-
Others	0.86%	-0.06%
<b>Effective tax rate</b>	<b>30.43%</b>	<b>26.80%</b>

##### C. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Deferred Tax Assets</b>		
Lease liabilities	34.14	25.58
Provisions for employee benefits	7.78	1.93
Allowance for expected credit loss	25.56	16.23
Security deposits	-	0.64
Others	0.09	7.80
<b>Total Deferred Tax Assets (A)</b>	<b>67.57</b>	<b>52.18</b>
<b>Deferred Tax Liabilities</b>		
Property, plant and equipment	0.25	(1.46)
Right-of-use assets	(32.81)	(24.48)
Investments in equity instruments measured at FVTPL	(0.75)	(0.14)
Business Combination	(166.89)	-
Security deposits	(0.72)	-
<b>Total Deferred Tax Liabilities (B)</b>	<b>(200.92)</b>	<b>(26.08)</b>
<b>Net Deferred Tax Assets / (Liabilities) (A-B)</b>	<b>(133.35)</b>	<b>26.10</b>

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 9 INCOME TAXES (CONTINUED)

#### C. Deferred tax assets and liabilities (Continued)

#### (i) Movements in Deferred Tax Assets / (Liabilities)

Movements during the year ended 31 March 2022	Opening balance as on 01 April 2021	Recognised in profit and loss	Recognised in other comprehensive income	Pursuant to Business Combination	Recognised directly in equity	Closing balance as on 31 March 2022
Property, plant and equipment	(1.46)	1.71	-	-	-	0.25
Right-of-use assets	(24.48)	(8.33)	-	-	-	(32.81)
Lease liabilities	25.58	8.56	-	-	-	34.14
Provisions for employee benefits	1.93	3.76	1.22	-	-	7.78
Allowance for expected credit loss	16.23	9.35	-	-	-	25.56
Investments in equity instruments measured at FVTPL	(0.14)	(0.61)	-	-	-	(0.75)
Security Deposits	0.64	(1.36)	-	-	-	(0.72)
Business Combination	-	-	-	(166.89)	-	(166.89)
Others	7.80	(7.71)	-	-	-	0.09
<b>Total</b>	<b>26.10</b>	<b>5.37</b>	<b>1.22</b>	<b>(166.89)</b>	<b>-</b>	<b>(133.35)</b>

Net deferred tax assets as at 31 March 2022	33.54
Net deferred tax liabilities as at 31 March 2022	(166.89)
Net closing balance as on 31 March 2022	(133.35)

Movements during the year ended 31 March 2021	Opening balance as on 01 April 2020	Recognised in profit and loss	Recognised in other comprehensive income	Pursuant to Business Combination	Recognised directly in equity	Closing balance as on 31 March 2021
Property, plant and equipment	0.40	(1.86)	-	-	-	(1.46)
Right-of-use assets	(13.55)	(10.93)	-	-	-	(24.48)
Lease liabilities	13.82	11.76	-	-	-	25.58
Compound financial instrument	(18.92)	2.48	-	-	16.44	-
Provisions for employee benefits	0.73	1.20	0.00	-	-	1.93
Allowance for expected credit loss	16.02	0.21	-	-	-	16.23
Investments in equity instruments measured at FVTPL	0.20	(0.34)	-	-	-	(0.14)
Security Deposits	0.45	0.19	-	-	-	0.64
Others	-	7.80	-	-	-	7.80
<b>Total</b>	<b>(0.85)</b>	<b>10.51</b>	<b>0.00</b>	<b>-</b>	<b>16.44</b>	<b>26.10</b>

Net deferred tax assets as at 31 March 2021	26.10
Net deferred tax liabilities as at 31 March 2021	-
Net closing balance as on 31 March 2021	26.10

#### D. Tax assets and liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current tax assets (net)</b>			
Advance tax and tax deducted at source, net of provision for tax	87.83	0.04	8.29
<b>Current tax liabilities (net)</b>			
Provision for tax, net of advance tax and tax deducted at source.	-	95.45	94.84

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 10 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current</b>			
<i>Unsecured, considered good unless otherwise stated</i>			
Advances other than capital advances			
Balances with Government Authorities			
- Goods and Services Tax credit receivable	2.62	-	-
	<b>2.62</b>	<b>-</b>	<b>-</b>
<b>Current</b>			
<i>Unsecured, considered good unless otherwise stated</i>			
Advances other than capital advances			
Advances to vendors	1,530.14	532.82	206.44
Less: Provision for doubtful advances	(58.63)	(28.63)	-
Return asset *	390.50	233.06	58.34
Prepaid Expenses	38.72	4.91	3.89
Balances with Government Authorities			
- Goods and Services Tax credit receivable	725.85	437.09	78.29
- Custom Duty	45.31	34.63	14.72
- Sales Tax/ Value Added Tax	0.06	0.06	0.06
<b>Total</b>	<b>2,671.95</b>	<b>1,213.94</b>	<b>361.74</b>

\* Return Asset: Customers of the Holding Company have right to return in case of any defects or on grounds of quality. The Holding Company uses expected value method to estimate the goods that will be returned. For goods that are expected to be returned, instead of revenue, Holding Company recognize a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer.

**Note:** There are no advances to directors or other officers of the Holding Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

#### 11 INVENTORIES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Stock-in-trade	5,538.55	3,088.23	749.58
<b>Total</b>	<b>5,538.55</b>	<b>3,088.23</b>	<b>749.58</b>

(i) For mode of valuation, refer note 2 (f) of significant accounting policies

(ii) The above includes goods in transit of Rs. 764.90 million (31 March 2021: Rs. 279.67 million, 1 April 2020: Rs. 167.43 million)

(iii) Value of inventories above is stated after provisions for slow-moving and obsolete items of Rs. 86.61 million (31 March 2021: Rs. 168.30 million, 1 April 2020: Rs. 45.95 million).

(iv) During the year an amount of Rs. 702.82 million (31 March 2021: Rs. 52.79 million; 01 April 2020 : Rs. 95.20 million) has been charged off to statement of profit and loss on account of cost of goods that have been scrapped. These goods are adjusted against warranty liability of the Company.

(iv) The Holding Company has created a charge on its inventories for its borrowings (refer to note 18)

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 12 TRADE RECEIVABLES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
Trade Receivables considered good – Secured	-	-	-
Trade Receivables considered good – Unsecured	3,270.00	777.43	561.56
Trade Receivables which have significant increase in credit risk - Unsecured	-	-	-
Trade Receivables – credit impaired - Unsecured	2.64	11.49	54.85
Less: Allowance for expected credit loss	(41.49)	(34.09)	(63.66)
<b>Total</b>	<b>3,231.15</b>	<b>754.83</b>	<b>552.75</b>
<b>Category wise details of allowance for expected credit loss</b>			
Allowance for expected credit loss for Trade Receivables considered good – Unsecured	2.64	11.49	54.85
Allowance for expected credit loss for Trade Receivables – credit impaired - Unsecured	38.85	22.60	8.81
	<b>41.49</b>	<b>34.09</b>	<b>63.66</b>

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Refer note 35 - Financial instruments, fair values and risk measurement

- (i) There are no debt which are due by directors or other officers of the Holding Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member for the year ended 31 March 2022, 31 March 2021 and 1 April 2020.

#### (ii) Trade receivables from related parties:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Trade receivables from related parties	2.64	6.46	4.56
Less: Allowance for expected credit loss	(2.64)	(2.64)	-
	<b>-</b>	<b>3.82</b>	<b>4.56</b>

Refer note 37 - Related party disclosures

#### (iii) The movement in allowance for expected credit loss is as follows:

Particulars	As at 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Balance as at beginning of the year	34.09	63.66	5.48
Change in allowance during the year	7.40	(14.33)	58.18
Written off during the year	-	(15.24)	-
Balance as at the end of the year	<b>41.49</b>	<b>34.09</b>	<b>63.66</b>

#### (iv) Ageing for trade receivables from the due date of payment for each of the category is as follows:

Trade receivables ageing schedule as at 31 March 2022	Outstanding for following periods from due date of payment						Total
	Current (not past due)	Less than 6 months	6 Months to 1 Year	1 - 2 Years	2 -3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	1,712.22	1,550.20	1.47	5.84	0.28	0.00	3,270.00
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	0.12	2.52	-	2.64
	<b>1,712.22</b>	<b>1,550.20</b>	<b>1.47</b>	<b>5.96</b>	<b>2.80</b>	<b>0.00</b>	<b>3,272.64</b>
Allowance for expected credit loss	-	(31.26)	(1.47)	(5.96)	(2.80)	(0.00)	(41.49)
	<b>1,712.22</b>	<b>1,518.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,231.15</b>

Note: There are no unbilled dues as at 31 March 2022

Trade receivables ageing schedule as at 31 March 2021	Outstanding for following periods from due date of payment						Total
	Current (not past due)	Less than 6 months	6 Months to 1 Year	1 - 2 Years	2 -3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	425.03	342.29	8.16	1.95	-	-	777.43
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	8.85	-	-	8.85
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	0.12	2.52	-	-	2.64
	<b>425.03</b>	<b>342.29</b>	<b>8.28</b>	<b>13.32</b>	<b>-</b>	<b>-</b>	<b>788.92</b>
Allowance for expected credit loss	-	(12.49)	(8.28)	(13.32)	-	-	(34.09)
	<b>425.03</b>	<b>329.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>754.83</b>

Note: There are no unbilled dues as at 31 March 2021

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 13 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Cash on hand	0.72	0.07	0.01
Balances with banks			
In current accounts	603.05	42.00	73.14
In deposits with original maturity of less than 3 months	-	1,401.86	-
<b>Total</b>	<b>603.77</b>	<b>1,443.93</b>	<b>73.15</b>

Refer note 35 - Financial instruments, fair values and risk measurement

#### 14 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Balances with banks to the extent held as security against the borrowings			
Fixed deposits with original maturity of more than 3 months but less than 12 months	1,575.84	45.00	12.50
<b>Total</b>	<b>1,575.84</b>	<b>45.00</b>	<b>12.50</b>

Refer note 35 - Financial instruments, fair values and risk measurement

##### Note:

Details of lien against fixed deposits:

Security lien towards RBL cash credit facility	25.84	25.00	12.50
Security lien towards ICICI cash credit facility	-	10.00	-
Security lien towards HDFC working capital demand loan	-	10.00	-
Security lien towards Citi Bank working capital demand loan	550.00	-	-
Security lien towards HSBC working capital demand loan	1,000.00	-	-
Security lien towards SCB working capital demand loan	-	-	-
	<b>1,575.84</b>	<b>45.00</b>	<b>12.50</b>

#### 15 LOANS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
Loan to employees			
Loans Receivables considered good – Secured	-	-	-
Loans Receivables considered good – Unsecured	7.21	0.59	0.93
Loans Receivables which have significant increase in credit risk	-	-	-
Loans Receivables – credit impaired	-	-	-
Loan to subsidiary Company	-	-	-
<b>Total</b>	<b>7.21</b>	<b>0.59</b>	<b>0.93</b>

Refer note 35 - Financial instruments, fair values and risk measurement

##### Notes:

- There are no loans due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.
- Loans given to employees as per the Group's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.
- Loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
  - repayable on demand; or
  - without specifying any terms or period of repayment

Particulars	As at 31 March 2022 Amount outstanding	% of total	As at 31 March 2021 Amount outstanding	% of total	As at 1 April 2020 Amount outstanding	% of total
<b>Type of Borrower</b>						
Promoters	-	-	-	-	-	-
Directors	-	-	-	-	-	-
Key management personnel (KMP)	-	-	-	-	-	-
Related parties *	27.00	N.A.	-	-	-	-

\* Loan given to related parties

- There are no advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
  - repayable on demand; or
  - without specifying any terms or period of repayment

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>AUTHORISED SHARE CAPITAL</b>						
Equity shares of Re 1 each (Previous Year of Rs. 10 each) *	14,64,68,000	146.47	14,50,94,000	145.09	6,00,000	0.60
Preference shares of Rs 10 each	5,35,200	5.35	30,000	0.30	10,000	0.10
Preference shares of Rs 6,000 each	18,929	113.57	20,000	120.00	-	-
<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>						
<b>Equity share capital</b>						
Equity shares of Re 1 each (Previous Year of Rs. 10 each) *	9,60,30,300	96.04	4,507	0.45	5,000	0.50
		<u>96.04</u>		<u>0.45</u>		<u>0.50</u>
<b>Instruments entirely Equity in nature</b>						
Preference shares of Rs 10 each	5,10,000	5.11	5,109	0.05	-	-
Preference shares of Rs 6,000 each	17,269	103.61	15,507	93.04	-	-
		<u>108.72</u>		<u>93.09</u>		<u>-</u>
<b>Total</b>		<u>204.76</u>		<u>93.54</u>		<u>0.50</u>

\* Pursuant to the resolutions passed by the Board of Directors on 15 December 2021 and the shareholders on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share.

#### (a) Reconciliation of the number of shares

Particulars	Equity shares		Series A CCPS		Series B CCPS	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>As at 1 April 2020</b>	<b>50,000</b>	<b>0.50</b>	-	-	-	-
Shares reclassified from equity component of compound financial instrument @	-	-	5,109	0.05	-	-
Shares issued during the year	-	-	-	-	15,507	93.04
Shares bought back during the year (Refer note 16 (f))	(4,934)	(0.05)	-	-	-	-
<b>As at 31 March 2021</b>	<b>45,066</b>	<b>0.45</b>	<b>5,109</b>	<b>0.05</b>	<b>15,507</b>	<b>93.04</b>
Conversion of preference shares to equity shares	2,559	0.03	(2,559)	(0.03)	-	-
Bonus shares issued during the year	94,77,375	94.77	5,07,450	5.08	-	-
Equity shares arising on share split from Rs. 10 to Re. 1 per share *	8,57,25,000	-	-	-	-	-
Issue of Equity Shares on exercise of employee stock option	3,16,800	0.32	-	-	-	-
Shares issued during the year on private placement basis	4,63,500	0.47	-	-	1,762	10.57
<b>As at 31 March 2022</b>	<b>9,60,30,300</b>	<b>96.04</b>	<b>5,10,000</b>	<b>5.11</b>	<b>17,269</b>	<b>103.61</b>

\* Pursuant to the resolutions passed by the Board of Directors on 15 December 2021 and the shareholders on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share. There is no impact on the value of equity share capital.

Equity shares represents equity shares of Rs 1 each, fully paid up

Series A CCPS represents 0.01% Non-cumulative compulsorily convertible preference shares of Rs 10 each, fully paid up

Series B CCPS represents 0.01% Cumulative compulsorily convertible preference shares of Rs 6,000 each, fully paid up

@ 5,109 Compulsorily Convertible Preference Shares of Rs. 10 each were classified as compound financial instrument on the date of issue. Subsequently, with effect from 5 January 2021, the same have been reclassified as Instrument completely in the nature of Equity. (refer note 16(h) for further details)

#### (b) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held and after payment to the secured and unsecured loan.

#### (c) Rights, preferences and restrictions attached to preference shares:

The Company has two classes of preference shares i.e. 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each ('Series A CCPS') and 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each ('Series B CCPS').

Series A CCPS comprises Series A CCPS and Series A1 CCPS, both convertible at a ratio of 1:1 (that is 1 Equity Share shall be issued upon conversion of 1 Preference Share), having a right to preferred non - cumulative dividend of 0.01% per annum and of the par value of Rs 10 each in the capital of the Company. Each Preference Share may be converted into Equity Shares at any time at the option of the holder of that Preference Share and/or if mandated by applicable laws.

Subject to applicable Laws, the preference shares shall be automatically converted into equity shares in the ratio of 1 Equity Share for 1 Preference Share ('Conversion Ratio'), upon the earlier of (i) expiry of 19 years and 9 months from the Closing Date; or (ii) in connection with an IPO, prior to the filing of a red hearing prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

Series B CCPS comprises Series B CCPS and Series B1 CCPS, both cumulative participating compulsorily and fully convertible preference shares having a face value of Rs. 6,000 each, convertible at a ratio of 1:200 \* (that is 200 Equity Share shall be issued upon conversion of 1 Preference Share), having a right to preferred cumulative dividend of 0.01% per annum and of the par value of Rs 6,000 each in the capital of the Company. Each Preference Share may be converted into Equity Shares at any time at the option of the holder of that Preference Share and/or if mandated by applicable laws.

Subject to applicable Laws, the preference shares shall be automatically converted into equity shares in the ratio of 200 Equity Share for 1 Preference Share ('Conversion Ratio'), upon the earlier of (i) expiry of 19 years and 9 months from the Closing Date; or (ii) in connection with an IPO, prior to the filing of a red hearing prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

\* As per the original terms of Series B CCPS, the conversion ratio was 1:1 (that is 1 Equity Share shall be issued upon conversion of 1 Preference Share). During the year ended 31 March 2022, pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS and the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share the Company adjusted the conversion price for Series B CCPS in accordance with their terms of issuance as set out in the articles of association and the amended and shareholders agreement dated 9 April 2021 from Rs. 283,749 to Rs. 141.88. Accordingly, the revised conversion ratio is 1:2000.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE (CONTINUED)

##### (d) Details of shareholders more than 5% shares of a class of shares in the Company:

Particulars	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number of shares	% in shares	Number of shares	% in shares	Number of shares	% in shares
<b>Equity shares</b>						
Mr. Sameer Mehta	3,83,70,000	39.96%	19,185	42.57%	25,000	50.00%
Mr. Aman Gupta	3,83,70,000	39.96%	19,185	42.57%	25,000	50.00%
South Lake Investment Ltd	1,85,10,000	19.28%	6,696	14.86%	-	-
<b>Series A CCPS</b>						
Fireside Ventures Investment Fund - I	5,10,000	100.00%	2,550	49.91%	5,109	100.00%
South Lake Investment Ltd	-	0.00%	2,559	50.09%	-	-
<b>Series B CCPS</b>						
South Lake Investment Ltd	15,507	89.80%	15,507	100.00%	-	-
Qualcomm Ventures LLC	1,762	10.20%	-	-	-	-

During the year ended 31 March 2021, South Lake Investment Ltd bought the following shares directly from other existing shareholders:

- 3,348 equity shares of Rs 10 each from Mr. Sameer Mehta
- 3,348 equity shares of Rs 10 each from Mr. Aman Gupta
- 2,559 Series A CCPS from Fireside Ventures Investment Fund - I

##### (e) Shares reserved for issue under options and contracts:

Particulars	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Under Employee Stock Option Plan 2019:</b>						
Equity shares of Re 1 each, at exercise price of Rs 30.27 per share (Previous year: Rs 60,533 per share) *	7,53,200	0.75	744	0.01	256	0.00
Equity shares of Re 1 each, at exercise price of Rs 141.88 per share	23,83,150	2.38	-	-	-	-
<b>Under Employee Stock Option Plan 2021:</b>						
Equity shares of Re 1 each, at exercise price of Rs 141.88 per share (Previous year: Rs 283,749 per share) *	54,98,000	5.50	2,749	0.03	-	-
<b>Right to subscribe to Innovent Capital India Private Limited</b>						
Equity Share of Re. 1 each, Nil (Previous years: Equity shares of Rs. 10 each, at an exercise price of Rs 86,306 per share) *	-	-	232	0.00	232	0.00
<b>For 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each</b>						
Equity shares of Re 1 each *	51,00,000	5.10	5,109	0.05	5,109	0.05
<b>For 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each</b>						
Equity shares of Re 1 each *	3,45,38,000	34.54	15,507	0.16	-	-

\* Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the number of options and the exercise price per share have also been adjusted accordingly, i.e. number of options have been multiplied by 2009 and the exercise price per share has been divided by 2000.

Terms attached to the Compulsorily Convertible Preference Shares are described in note 16 (c).

Terms attached to the Employee Stock Options granted to the employees are described in note 40 regarding Employee share based payments.

##### (f) During the period of five years immediately preceding the reporting date:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Aggregate number and class of shares allotted as fully paid up by way of bonus shares</b>			
Equity shares of Re 1 each (Previous Year of Rs. 10 each) @	94,77,375	-	-
0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each #	5,07,450	-	-
<b>Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:</b>			
Equity shares of Re 1 each (Previous Year of Rs. 10 each) *	49,340	49,340	-

@ During the year ended 31 March 2022, the Company has issued bonus shares in the ratio of 1:199 (i.e. 199 new bonus shares for every 1 share held by the holder) credited as fully paid up, to the eligible equity shareholders of Equity Shares of Rs. 10 each and whose names appear in the Register of Members / Beneficial Owners' position of the Company on 13 May, 2021 ("Record Date").

# During the year ended 31 March 2022, the Company has issued bonus shares in the ratio of 1:199 (i.e. 199 new bonus shares for every 1 share held by the holder) credited as fully paid up, to the eligible shareholders 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each and whose names appear in the Register of Members / Beneficial Owners' position of the Company on 13 May, 2021 ("Record Date").

Pursuant to the aforementioned Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS and the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share, the Company adjusted the conversion price for Series B CCPS in accordance with their terms of issuance as set out in the articles of association and the amended and shareholders agreement dated April 9, 2021, from Rs. 283,749 to Rs. 141.88.

\* During the year ended 31 March 2021, the Company bought back 4,934 equity shares of Rs 10 each, fully paid up at a price of Rs. 283,138.31 per equity share for an amount of Rs.1,135,502,418 from Mr. Sameer Mehta (2,467 equity shares) and Mr. Aman Gupta (2,467 equity shares).

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE (CONTINUED)

##### (g) Details of shares by the Promoter's of the Company:

	As at 31 March 2022		As at 31 March 2021		% change during the period
	Number of shares	% in the class	Number of shares	% in the class	
Equity shares of Rs each fully paid up held by:					
Mr. Sameer Mehta	3,83,70,000	39.96%	19,185	42.57%	199900.00% *
Mr. Aman Gupta	3,83,70,000	39.96%	19,185	42.57%	199900.00% *

\* Change during the year is on account of bonus shares issued and share split from Rs. 10 each to Re. 1 each

	As at 31 March 2021		As at 1 April 2020		% change during the period
	Number of shares	% in the class	Number of shares	% in the class	
Equity shares of Rs each fully paid up held by:					
Mr. Sameer Mehta	19,185	42.57%	25,000	50.00%	-23.26% @
Mr. Aman Gupta	19,185	42.57%	25,000	50.00%	-23.26% @

@ Change during the year is on account of 2,467 equity shares bought back by the Company from each promoter and sale of 3,348 equity shares by each promoter to South Lake Investments Ltd

##### (h) Agreements with Shareholders:

###### During the year ended 31 March 2022:

- (i) Pursuant to a Shareholders Agreement (SHA) dated 9 April 2021 entered into by and between Imagine Marketing Private Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2), Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd and Qualcomm Ventures LLC and the Share Subscription Agreement (SSA) dated 9 April 2021 entered into by and between Imagine Marketing Private Limited, the Promoters, Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd and Qualcomm Ventures LLC, the Company issued 1,762 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each to Qualcomm Ventures LLC on 20 April 2021 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received Rs. 499.96 million the details of which are included in the table below:

Type of share	Face value per share	Issue price per share	Premium on issue per share	No. of shares	Total amount in Rs. million
0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each (Series B1 CCPS)	6,000.00	2,83,749.00	2,77,749.00	1,762.00	499.96

Pursuant to the SHA dated 9 April 2021 as mentioned above, the conversion ratio of the Series B1 CCPS was determined to be 1:1. Accordingly, Series B1 CCPS were considered to be "Instrument entirely Equity in nature" as at the transaction date.

- (ii) Innoven Capital India Private Limited has exercised the right to subscribe shares of the Company provided as part of the loan agreement. Pursuant to this, the Company has issued 463,500 equity shares of Re 1 each, fully paid to Innoven Capital India Private Limited at an exercise price of Rs 43.15 per equity share totalling to Rs. 20.00 million.

###### During the year ended 31 March 2021:

- (i) Pursuant to a Shareholders Agreement (SHA) dated 14 December 2020 entered into by and between Imagine Marketing Private Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2), Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust) and South Lake Investments Ltd and the Share Subscription Agreement (SSA) dated 14 December 2020 entered into by and between Imagine Marketing Private Limited, the Promoters Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust) and South Lake Investments Ltd, the Company issued 15,507 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each to South Lake Investments Ltd on 5 January 2021 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received Rs. 4,400.10 million the details of which are included in the table below:

Type of share	Face value per share	Issue price per share	Premium on issue per share	No. of shares	Total amount in Rs. million
0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each (Series B CCPS)	6,000.00	2,83,749.00	2,77,749.00	15,507.00	4,400.10

Pursuant to the SHA dated 14 December 2020 as mentioned above, the conversion ratio of the Series B CCPS was determined to be 1:1. Accordingly, Series B CCPS were considered to be "Instrument entirely Equity in nature" as at the transaction date.

- (ii) During the year ended 31 March 2021, Fireside Ventures Investment Fund - I waived off the right to the Exit clause as mentioned in the SHA dated 4 April 2018 and 31 December 2018 respectively. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature".



## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 17 OTHER EQUITY

##### A. Summary of Other Equity balance:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Equity component of compound financial instruments	-	-	69.34
Securities Premium	3,704.85	3,289.98	-
Debenture Redemption Reserve	-	-	11.25
Capital Redemption Reserve	-	0.05	-
General Reserve	11.25	11.25	-
Share Options Outstanding Account	162.00	14.82	3.00
Retained Earnings	1,916.15	1,232.04	631.20
Foreign Currency Translation Reserve	20.39	-	-
<b>Total Other Equity</b>	<b>5,814.64</b>	<b>4,548.14</b>	<b>714.79</b>

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Equity component of compound financial instruments</b>			
Balance at the beginning of the year	-	69.34	65.88
Add: Reversal of deferred tax originally recognised on equity component of compound financial instrument due to tax rate change	-	-	3.46
Add: Reversal of deferred tax originally recognised on equity component of compound financial instrument on reclassification	-	16.44	-
Less : Reclassification of equity component of CCPS from Other equity to Instruments entirely Equity in nature	-	(85.78)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>69.34</b>

<b>Securities Premium</b>			
Balance at the beginning of the year	3,289.98	-	-
Add: Addition during the year on account of new issue of CCPS	489.39	4,307.05	-
Add: Addition during the year on account of change in classification of compound financial instrument	-	209.95	-
Add: Addition during the year on account of new issue of Equity Shares	19.54	-	-
Add: Addition during the year on account of issue of equity shares on exercise of employee stock options	17.81	-	-
Less: Expenses incurred directly in connection with issue of CCPS	(12.07)	(91.52)	-
Less: Securities premium utilised for buy back of equity shares	-	(1,135.45)	-
Less: Securities premium transferred to capital redemption account on buy back of equity shares (refer note i below)	-	(0.05)	-
Less: Utilised for issue of bonus shares	(99.80)	-	-
<b>Balance at the end of the year</b>	<b>3,704.85</b>	<b>3,289.98</b>	<b>-</b>

<b>Debenture Redemption Reserve</b>			
Balance at the beginning of the year	-	11.25	-
Add: Transferred from retained earnings	-	-	11.25
Less: Transferred to retained earnings (refer note ii below)	-	(11.25)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>11.25</b>

<b>Capital Redemption Reserve</b>			
Balance at the beginning of the year	0.05	-	-
Add: Transferred from securities premium account on buy back of equity shares	-	0.05	-
Less: Utilised for issue of bonus shares	(0.05)	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>0.05</b>	<b>-</b>

<b>General Reserve</b>			
Balance at the beginning of the year	11.25	-	-
Add: Transferred from debenture redemption reserve	-	11.25	-
<b>Balance at the end of the year</b>	<b>11.25</b>	<b>11.25</b>	<b>-</b>

<b>Share Options Outstanding Account</b>			
Balance at the beginning of the year	14.82	3.00	-
Add: Charge for the year (Refer note 28)	155.72	11.82	3.00
Less: Issue of equity shares on exercise of employee stock options	(8.54)	-	-
<b>Balance at the end of the year</b>	<b>162.00</b>	<b>14.82</b>	<b>3.00</b>

<b>Retained Earnings</b>			
Balance at the beginning of the year	1,232.04	631.20	164.59
Add: Profit for the year	687.04	865.37	477.98
Less: Transferred to debenture redemption reserve	-	-	(11.25)
Less: Buy back distribution tax	-	(264.52)	-
Less: Remeasurement of post employment benefit obligation, net of tax	(2.93)	(0.01)	(0.12)
<b>Balance at the end of the year</b>	<b>1,916.15</b>	<b>1,232.04</b>	<b>631.20</b>

##### Other Comprehensive Income

###### (i) Foreign Currency Translation Reserve

Balance at the beginning of the year	-	-	-
Add: Exchange differences in translating financial statements of foreign operations	20.39	-	-
<b>Balance at the end of the year</b>	<b>20.39</b>	<b>-</b>	<b>-</b>

##### Note:

- (i) During the year ended 31 March 2021, an amount of Rs 49,340, being the face value of the shares bought back during the year, was transferred from Securities Premium Account to Capital Redemption Reserve upon buyback in accordance with Section 69 of the Companies Act, 2013.
- (ii) During the year ended 31 March 2021, the Holding Company has paid off all the outstanding debenture and accordingly, the debenture redemption reserves has been transferred to General Reserve.

##### B. Nature and purpose of reserves:

**Securities Premium** - Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**Debenture Redemption Reserve** - In order to comply with the requirements of Section 71(4) of the Companies Act, 2013, the Company had created a debenture redemption reserve out of the profits of the Company available for payment of dividend, and the amount credited to such account was utilized by the Company for the redemption of debentures.

**Capital Redemption Reserve** - The Company has recognised Capital Redemption Reserve on the buyback of equity shares from its retained earnings. The amount in the Capital Redemption Reserve is equal to the nominal amount of the equity shares bought back.

**General Reserve** - On redemption of the debentures for which the debenture redemption reserve was created, the Company has transferred the balance in the debenture redemption reserve to the General Reserve.

**Share Options Outstanding Account** - The fair value of the equity-settled share based payment transactions is recognised in Consolidated statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

**Retained Earnings** - Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**Foreign currency translation reserve** - The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 18 BORROWINGS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current</b>			
<b>Secured, at amortised cost</b>			
14.50% Non-convertible debentures of Rs 100,000 each (refer note i below)	-	-	112.50
Term loan:			
- from other parties (refer note ii below)	-	58.82	18.82
Less: Current maturities of long-term borrowings	-	(58.82)	(131.32)
<b>Unsecured, at amortised cost</b>			
Liability component of compound financial instruments (refer note iii below)	-	-	134.80
<b>Total</b>	<b>-</b>	<b>-</b>	<b>134.80</b>
<b>Current</b>			
<b>Secured, at amortised cost</b>			
Current maturities of long-term borrowings	-	58.82	131.32
Cash credit from banks (refer note iv, v & viii below)	2,086.34	161.78	11.20
Loan repayable on demand:			
- from banks (refer note iv, v, vi, vii, viii & xiii below)	6,000.00	119.73	100.00
- from other parties (refer note ii, ix & x below)	-	75.00	86.05
<b>Unsecured, at amortised cost</b>			
Loan repayable on demand:			
- from related parties (refer note x below)	-	-	7.24
- from banks (refer note iv & xi below)	1,124.98	-	-
- from other parties (refer note xiv below)	-	-	17.50
<b>Total</b>	<b>9,211.32</b>	<b>415.33</b>	<b>353.31</b>

Refer note 35 - Financial instruments, fair values and risk measurement

#### Notes:

- (i) Debentures were obtained by the Holding Company from BAC Acquisition Pvt Ltd on 21 June 2019 and carried an interest rate 14.50% p.a. & redemption premium of Rs. 5.25 million which was paid off in December 2020, against the pledge of 14,480 Equity share (7,240 owned by Mr. Sameer Ashok Mehta and 7,240 owned by Mr. Aman Gupta) having face value of Rs 10 per share. Debentures were repayable in 12 monthly installment amounting of principal repayment of Rs 12.50 million per month from January 2020 to December 2020 plus the interest for number of days of the month and a redemption premium of Rs 5.25 million at the end of the tenure. During the year ended 31 March 2021, all the outstanding debenture were fully repaid and pledge has been released.
- (ii) Secured loan has been obtained by the Holding Company from Innoven Capital India Pvt Ltd towards Term Loan on 18 July 2019 and carries an interest rate 14.75% p.a. (31 March 2021: 14.75% p.a., 01 April 2020: 14.80% p.a.), against the pledge of 7,500 Equity share (31 March 2021: 7,500 Equity share, 01 April 2020: 7,500 Equity share) (3,750 owned by Mr. Sameer Ashok Mehta and 3,750 owned by Mr. Aman Gupta) having face value of Rs 10 per share. Loan of Rs 40 million is repayable in 17 monthly installment amounting of principal repayment of Rs 2.35 million per month from August 2019 and Loan of Rs. 100 million is repayable in 17 monthly installment amounting of principal repayment of Rs 5.88 million per month from September 2020 plus the interest for number of days of the month. The Holding Company has also given first pari passu charge on "boAt" brand and on current assets which shall include current and future fixed and non current assets to Innoven Capital India Pvt Ltd. During the year ended 31 March 2021, the loan amounting to Rs 40 million was fully repaid, and during the year ended 31 March 2022, the loan amounting to Rs 100 million was fully repaid and pledge has been released.
- The Holding Company has given right to Innoven Capital India Pvt Ltd to purchase preference shares equal to Rs 20 million at Rs 86,306 price per share. The right can be exercised at any time over a period of eight years from the date of issuance. Anti-dilution and liquidation preference rights provided to the same class of shareholders will apply. The right granted shall survive the termination of the loan agreement. During the year ended 31 March 2022, Innoven Capital India Pvt Ltd has exercised its rights and the company has issued 4,63,500 equity shares of face value at the price of Rs 43.15 per share.
- (iii) Refer to note 16 (c) for rights, preferences and restrictions attached to preference shares including the terms of conversion of the liability component of compound financial instruments (Series A CCPS)
- (iv) Cash Credit (CC) facility and working capital demand loan (WCCL) facility from Citi bank has been availed and carries an interest rate mutually agreed between the parties at the time of disbursement which ranges between 6.20% to 6.40% as at 31 March 2022 (31 March 2021: 9.50% p.a., 01 April 2020: 9.75% p.a.), computed on monthly basis on the actual amount utilised to be paid on last date of each month.
- The Holding Company has availed an aggregate limit of Rs.1400 million (including, Cash Credit Limit and Working Capital Demand Loan) of which Rs.700 million is secured against hypothecation on current and future stocks and book debts of the Company as well as pledge against fixed deposits. The remaining limit of Rs. 700 million is an unsecured adhoc facility given by the bank.
- As at 31 March 2021, there was personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta given as security. Additionally the Company had given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, Innoven Capital and RBL and also have the pledge of 2,500 Equity share (31 March 2021: 2,500 Equity share, 01 April 2020: 2,500 Equity share) (1,250 owned by Mr. Sameer Ashok Mehta and 1,250 owned by Mr. Aman Gupta) having face value of Rs 10 per share. However, during the year ended 31 March 2022, pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released.
- The WCCLs generally have a tenure ranging upto 6 months. These cash credit and WCCLs loans are repayable on demand.
- (v) Cash Credit (CC) facility and Overdraft facility has been availed by the Holding Company from ICICI bank for meeting the working capital requirements of the Holding Company and carries an interest rate at I - MCLR - 6M+0.70% (31 March 2021: 9.25% p.a., 01 April 2020: N.A) and FD rate + 0.50% (31 March 2021: N.A., 01 April 2020: N.A) respectively, computed on monthly basis on the actual amount utilized to be paid on last date of each month against the pledge of current asset receivable and current asset inventory (earlier there was pledge on 1,250 Equity shares ; 31 March 2021: 1,250 Equity share, 01 April 2020: N.A) (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta having face value of Rs 10 per share).
- During the year ended 31st March 2022, Holding Company has availed WCCL limit of Rs.1000 million as a sublimit of Cash Credit facility secured against hypothecation on current asset receivable and current asset inventory of the Holding Company and interest rate on the same is to be decided at the time of disbursement. Also the Holding Company has availed WCCL limit of Rs.1200 million as a sublimit of Overdraft facility secured against the 100% Fixed Deposit and carries interest rate of FD rate + 0.50%. There is personal guarantee of Directors - Mr. Sameer Ashok Mehta and Mr. Aman Gupta. Additionally, the Holding Company has given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, SCB Bank, Innoven Capital and RBL. Pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released on 12 January 2021. The tenure of the WCCL loans range from 7 days to 180 days.
- (vi) Secured working capital demand loan (sublimit of cash credit facility) has been obtained by the Holding Company from RBL bank against fixed deposit of Rs 75 million (31 March 2021: Rs 25 million, 01 April 2020: N.A) as security. The Holding Company has given RBL First Passu Charge on the entire current and moveable fixed assets of the Holding Company, both present and future. The interest rate are applicable as per disbursement date and the bank reserves the right to charge additional interest at the rate of 2% p.a (31 March 2021: 2%, 01 April 2020: N.A) on occurrence of such events as specified in the agreement. Additionally, the Holding Company has given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, SCB bank, Innoven Capital and RBL and pledge of 3,750 Equity share (31 March 2021: 3,750 Equity share, 01 April 2020: N.A) (1,875 owned by Mr. Sameer Ashok Mehta and 1,875 owned by Mr. Aman Gupta) having face value of Rs 10 per share. There is a personal guarantee of Mr. Sameer Mehta and Mr. Aman Gupta of 4 undated cheques (UDCs) of Rs 5 crores each drawn on Citi Bank. During the year ended 31 March 2022, pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released. The tenure of the WCCL loans ranges upto 3 months and the same is repayable on demand.
- (vii) Secured loan has been obtained by the Holding Company from HDFC bank towards working capital which carries an interest rate 8.00% p.a. linked to 1 year MCLR reset annually (31 March 2021: 8.50% p.a., 01 April 2020: N.A). The Holding Company has given First pari passu charge on entire receivables and on entire inventory of the Holding Company, present and future, to HDFC bank, RBL, Citi Bank and Innoven capital. Also, fixed deposit charge of Rs 60 million (31 March 2021: Rs 10 million, 31 March 2020: N.A) lien marked to HDFC Bank. Additionally, the Holding Company has given First pari passu charge on "boAt" brand between Citi bank, ICICI Bank, HDFC Bank, SCB Bank Innoven Capital and RBL and has pledge 1,250 of Equity share (31 March 2021: 1,250, 31 March 2020: N.A) (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) having face value of Rs 10 per share. During the period ended 31 March 2022, pledge on Equity shares; the personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta and first pari passu charge on "boAt" brand were released.
- (viii) Overdraft facility has been availed by the Holding Company from HSBC Bank and carries an interest rate mutually agreed per annum which is linked to the prevalent Bank MCLR/3M T-bill against the pledge of current asset receivable and inventory and has placed under lien Fixed Deposits of Rs. 150 million (31 March 2021 : N.A. ; 31 March 2020 : N.A.) and Rs. 2500 million (31 March 2021 : N.A. ; 31 March 2020 : N.A.) as a lien marked towards overdraft-1 facility and overdraft - 2 facility respectively. The tenure of the WCCL loans ranges upto 90 days and the same is repayable on demand.
- (ix) Secured loan was obtained by the Holding Company from TATA Capital Pvt Ltd towards working capital through sales invoice discounting facility of invoices of Flipkart India Pvt Ltd on 2 July 2019 which carries an interest rate 10.90% per annum, against the personal guarantee of Mr. Sameer Ashok Mehta and Mr. Aman Gupta, Loan is repayable as per due dates of invoices of Flipkart and interest on transaction basis for the amount utilised for number of days. The loan was entirely repaid on 8 April 2020 and personal guarantee of Directors - Mr. Sameer Mehta and Mr. Aman Gupta were released.
- (x) Unsecured loan also included Loan from Directors of Rs 2.50 million (Rs 1.25 million each for Mr. Sameer Mehta and Mr. Aman Gupta) bearing 0% interest rate and Rs 4.74 million from Sameer Mehta bearing 10% interest rate. All the unsecured loan were repaid during the year ended 31 March 2021.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 18 BORROWINGS (CONTINUED)

##### Notes: (Continued)

- (xi) Unsecured loan has been obtained by the Holding Company from HSBC Bank towards working capital through sales invoice discounting facility of invoices of Appario Retail Private Limited which carries an interest rate 8.50% per annum. Loan is repayable as per due dates of invoices of Appario and interest on transaction basis for the amount utilised for number of days.
- (xii) Secured loan has been obtained by the Holding Company from Standard Chartered Bank towards working capital which carries an interest rate specified by the bank at the time of drawdown ranging 6.10% to 6.95% as at 31 March 2022. The Holding Company has given first pari passu charge on current assets (stock and book debt) and has placed fixed deposits of Rs. 75 million under lien (31 March 2021 : N.A. ; 31 March 2020 : N.A.). The maximum tenure of this loan is 150 days and the same is repayable on demand.
- (xiii) Borrowings from banks and financial institutions have been used for the purpose for which they were obtained.
- (xiv) The Holding Company had other unsecured Loan amounting to Rs 17.50 million in year ended 31 March 2020 obtained from other corporates in the form of Inter Corporate Deposits (ICD's) and loan bearing a interest rate ranging 10-12%. The loan interest and principal amount was repayable on demand on 2 months prior notice. During the year ended 31 March 2021, the Holding Company repaid the entire loan and there are no dues outstanding as at year end.
- (xv) The Holding Company has filed quarterly returns/statements of current assets during the year ended 31 March 2022 with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts. Following are the discrepancies between books of accounts & quarterly statements submitted to banks relating to current assets, where borrowings have been availed based on security of current assets.

Bank	Quarter	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Citi Bank, RBL, HDFC, ICICI	March 2021	Inventory	3,088.23	2,654.27	433.96	Adjustment for goods-in-transit recognised
Citi Bank, RBL, HDFC, ICICI	March 2021	Trade receivables	754.83	1,263.98	(509.15)	Adjustment for reversal of revenue for year end cut off
Citi Bank, RBL, HDFC, ICICI	March 2021	Advance to Vendor	532.82	508.30	24.52	Adjustment for Vendor Advance against Trade
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2021	Inventory	2,720.83	2,488.29	232.55	Adjustment for goods inward and settled subsequently
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2021	Trade receivables	3,006.22	2,962.44	43.78	Adjustment for Advance from Debtors
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2021	Advance to Vendor	2,692.41	2,631.16	61.25	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2021	Inventory	7,323.01	1,715.93	5,607.08	Adjustment for goods-in-transit recognised
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2021	Trade receivables	6,352.63	8,623.95	(2,271.32)	Adjustment for reversal of revenue for period end cut off
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2021	Advance to Vendor	3,117.39	4,673.68	(1,556.29)	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	December 2021	Inventory	7,935.08	6,693.71	1,241.37	Adjustment for goods-in-transit recognised
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	December 2021	Trade receivables	4,286.16	4,242.01	44.15	Adjustment for Advance from Debtors
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	December 2021	Advance to Vendor	1,473.62	1,387.65	85.97	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2022	Inventory	5,457.34	5,551.31	(93.97)	Adjustment for goods-in-transit and provisions recognised
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2022	Trade receivables	3,227.37	3,807.74	(580.37)	Adjustment for reversal of revenue for year end cut off
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2022	Advance to Vendor	1,696.85	1,564.90	131.95	Adjustment for Vendor Advance against Trade Payables

(xvi) The Group has registered all the charges or satisfaction with the Registrar of Companies (ROC) by the statutory date.

(xvii) The Group has not been declared as a Wilful defaulter.

(xviii) There has been no discrepancy in utilisation of borrowings

(xix) The Group has not obtained any long term borrowings

#### 19 LEASE LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-current</b>			
Lease liabilities payable beyond 12 months	94.94	77.05	41.41
	<b>94.94</b>	<b>77.05</b>	<b>41.41</b>
<b>Current</b>			
Lease liabilities payable within 12 months	45.19	24.57	13.49
	<b>45.19</b>	<b>24.57</b>	<b>13.49</b>

(i) Set out below is the movement in lease liabilities during the period:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
As at 1 April	101.62	54.90	1.43
Add: Addition	86.71	63.80	61.02
Add: Addition on account of business combination	9.33	-	-
Add: Accretion of interest	10.84	5.53	2.89
Less: Deletion due to closure	(17.47)	-	-
Less: Rent waiver	-	(3.35)	-
Less: Payments	(50.90)	(19.26)	(10.44)
<b>Closing balance</b>	<b>140.13</b>	<b>101.62</b>	<b>54.90</b>
Non-Current	94.94	77.05	41.41
Current	45.19	24.57	13.49
<b>Total</b>	<b>140.13</b>	<b>101.62</b>	<b>54.90</b>

(ii) Maturity analysis of lease liabilities (undiscounted basis):

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Not later than one year	45.19	24.57	13.49
Later than one year and not later than five years	104.01	86.39	47.48
Later than five years	-	-	-
<b>Total</b>	<b>149.20</b>	<b>110.96</b>	<b>60.97</b>

(iii) The effective interest rate for lease liabilities for Indian Entity is 7.13% as on 31 March 2022 (7.40%, 8.71% as on 31 March 2021 and 01 April 2020 respectively), for foreign entity Effective Interest Rate was 3%

(iv) The Group had total cash outflow for leases (including the short-term leases) for 31 March 2022: Rs. 71.25 million (31 March 2021: Rs. 26.59 million, 01 April 2020 : Rs. 12.31 million).

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 20 PROVISIONS

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current</b>			
Provision for employee benefits			
- Provision for compensated absence (refer note 39)	2.92	-	-
- Provision for gratuity (refer note 39)	11.78	2.02	0.79
<b>Total</b>	<b>14.70</b>	<b>2.02</b>	<b>0.79</b>
<b>Current</b>			
Provision for employee benefits			
- Provision for gratuity (refer note 39)	0.12	0.03	0.01
- Provision for compensated absence (refer note 39)	17.36	5.62	1.09
Other provisions			
- Provision for warranties	484.88	181.94	86.00
- Provision for expected return liability	550.00	20.95	89.75
<b>Total</b>	<b>1,052.36</b>	<b>208.54</b>	<b>176.85</b>

The provision for warranties represents management's best estimate of the Group's liability under warranties granted on products, based on prior experience and industry averages.

The provision for expected return liability represents management's best estimate of the Group's liability with respect to the customers contractual right to return goods in case of any defects or on grounds of quality.

#### (i) Movements in Other Provisions

Provision for warranties	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
At the beginning of the year	181.94	86.00	-
Addition during the year	484.88	181.94	86.00
Utilised during the year	(181.94)	(86.00)	-
<b>At the end of the year</b>	<b>484.88</b>	<b>181.94</b>	<b>86.00</b>
Provision for expected return liability	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
At the beginning of the year	20.95	89.75	-
Addition during the year	550.00	20.95	819.21
Utilised during the year	(20.95)	(89.75)	(729.46)
<b>At the end of the year</b>	<b>550.00</b>	<b>20.95</b>	<b>89.75</b>

For movements in provisions for employee benefits, refer Note 39.

The Group does not expect any reimbursements in respect of the above provisions.

#### 21 TRADE PAYABLES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
Total outstanding dues of micro enterprise and small enterprises	24.43	30.57	3.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,163.01	1,175.27	339.62
<b>Total Current Trade Payables</b>	<b>2,187.44</b>	<b>1,205.84</b>	<b>343.50</b>

Trade payables are non-interest bearing and are normally settled on 0 to 30 day terms.

Refer note 35 for information about liquidity risk and market risk of trade payables.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 21 TRADE PAYABLES (CONTINUED)

(i) Ageing for trade payable from the due date of payment for each of the category is as follows:

Trade payables ageing schedule as at 31 March 2022	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	-	8.71	15.66	0.06	-	-	24.43
Undisputed dues of creditors other than micro enterprises and small enterprises	1,201.56	341.10	606.90	13.45	-	-	2,163.01
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>1,201.56</b>	<b>349.81</b>	<b>622.56</b>	<b>13.51</b>	<b>-</b>	<b>-</b>	<b>2,187.44</b>
Trade payables ageing schedule as at 31 March 2021	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	5.22	-	25.32	0.03	-	-	30.57
Undisputed dues of creditors other than micro enterprises and small enterprises	213.71	278.91	679.05	3.60	-	-	1,175.27
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>218.93</b>	<b>278.91</b>	<b>704.37</b>	<b>3.63</b>	<b>-</b>	<b>-</b>	<b>1,205.84</b>

#### 22 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non Current</b>			
Deferred purchase consideration payable	452.46	-	-
	<b>452.46</b>	<b>-</b>	<b>-</b>
<b>Current</b>			
Deferred purchase consideration payable	545.09	-	-
Interest accrued but not due on borrowings	-	-	2.20
Interest accrued and due on borrowings	3.12	-	-
Redemption premium accrued but not due on debenture	-	-	2.36
Payable to employees	6.83	14.74	5.59
Capital creditors	13.66	16.00	-
<b>Total</b>	<b>568.70</b>	<b>30.74</b>	<b>10.15</b>

Refer note 35 - Financial instruments, fair values and risk measurement

#### 23 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
Contract liability (Advance received from customers)	11.30	60.28	1.32
Statutory dues (includes goods and services tax, tax deducted at source, provident fund, etc.)	31.98	15.61	18.40
Liability towards unspent corporate social responsibility obligation	2.17	7.16	-
<b>Total</b>	<b>45.45</b>	<b>83.05</b>	<b>19.72</b>

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 24 REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	28,707.64	13,137.16
Other Operating Income	21.37	0.87
<b>Total Revenue from Operations</b>	<b>28,729.01</b>	<b>13,138.03</b>

#### (i) Reconciliation of Revenue from sale of products with the contracted price:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contracted Price	36,127.84	16,472.26
Less: Returns	(2,725.27)	(1,238.86)
Less: Discounts	(4,694.93)	(2,096.24)
<b>Sale of products</b>	<b>28,707.64</b>	<b>13,137.16</b>

#### (ii) Contract balances:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contract Liabilities (refer note 23)	11.30	60.28

**Note:** Contract liabilities represent advance received from customers for sale of products at the reporting date.

#### (iii) Movement in contract liabilities during the year:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance as at beginning of the year	60.28	1.32
Revenue recognised that was included in the contract liability balance at the beginning of the year	(60.28)	(1.32)
Advance received during the year	11.30	60.28
<b>Balance as at end of the year</b>	<b>11.30</b>	<b>60.28</b>

#### (iv) Disaggregation of revenue from contracts with customers:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Based on geographies</b>		
Within India	28,707.64	13,137.16
Outside India (Net of Elimination)	-	-
<b>Total</b>	<b>28,707.64</b>	<b>13,137.16</b>
<b>Based on business segments</b>		
Audio	22,760.15	12,285.73
Wearables	5,155.13	548.05
Others	792.36	303.38
<b>Total</b>	<b>28,707.64</b>	<b>13,137.16</b>

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 25 OTHER INCOME

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest Income		
- From Banks (calculated using the effective interest method for financial assets)	96.63	21.38
- From Others	0.79	1.08
Other non-operating income		
- Fair valuation gain from investments designated at FVTPL (net)*	2.51	1.17
- Liabilities no longer required, written back	0.45	0.03
- Provisions no longer required, written back	6.41	14.33
- Gain on derecognition of liability component of CCPS	-	20.43
- Other non-operating income (includes miscellaneous income, etc.)	28.58	7.30
<b>Total</b>	<b>135.37</b>	<b>65.72</b>

\* Fair valuation gain from investments designated at FVTPL includes Rs. Nil (31 March 2021: Rs. Nil) as 'Net gain or loss on sale of investments'.

### 26 PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of stock-in-trade	25,915.80	12,547.02
<b>Total</b>	<b>25,915.80</b>	<b>12,547.02</b>

### 27 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventory at the beginning of the year	3,088.23	749.58
Inventory at the end of the year	5,538.55	3,088.23
<b>Total changes in inventories of stock-in-trade</b>	<b>(2,450.32)</b>	<b>(2,338.65)</b>

### 28 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, stipend, bonus and other allowances	380.83	127.88
Contribution to provident fund and other funds	10.18	3.62
Defined benefit plan expenses (refer note 39)	2.73	1.19
Compensated absence	11.77	4.69
Share based payment expense (refer note 40)	155.72	11.82
<b>Total</b>	<b>561.22</b>	<b>149.20</b>

### 29 FINANCE COSTS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest cost on financial liabilities measured at amortized cost		
- Debentures	-	6.82
- Other borrowings	312.99	74.98
- Liability component of compound financial instruments	-	9.85
- Lease liabilities	10.84	5.53
- Deferred Purchase Consideration	13.03	-
Interest cost on others		
- Net defined benefit liability (refer note 39)	0.14	0.05
- Others (includes interest on income taxes)	-	15.00
Other borrowing costs (includes processing charges)	8.95	6.55
<b>Total</b>	<b>345.95</b>	<b>118.78</b>

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 30 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation for property, plant and equipment	16.51	7.96
Depreciation of right-of-use assets	45.59	21.44
Amortisation of intangible assets	28.64	2.58
<b>Total</b>	<b>90.74</b>	<b>31.98</b>

### 31 OTHER EXPENSES

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Advertisement and promotion expenses	990.68	478.63
Freight and transportation charges	433.17	217.48
Warranty expenses	1,365.98	527.17
Legal and professional expenses	172.07	61.59
Contract labour charges	93.02	40.96
Payment to auditor	20.21	3.66
Rent expense	16.57	7.33
Rates, fees and taxes	52.36	12.68
Repair and maintenance expense	25.08	5.05
Expenses towards corporate social responsibility	12.97	7.36
Provision for impairment of non-current investment	-	43.33
Provision for loss allowance for trade receivables	7.14	-
Provision for doubtful advances	38.16	28.63
Provision for doubtful interest receivable on trade advance	-	1.77
Miscellaneous expenses	179.08	77.59
<b>Total</b>	<b>3,406.48</b>	<b>1,513.23</b>



# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 32 EARNING PER SHARE ('EPS')

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Profit attributable to equity holders:</b>		
Basic earnings	687.04	865.37
Add: Interest cost on liability component of compound financial instrument (net of tax)	-	7.37
Adjusted for the effect of dilution	687.04	872.74
<b>Weighted average number of Equity Shares for:</b>		
<b>Basic EPS</b>		
Number of equity shares at the beginning of the year	45,066	50,000
Add: Shares issued on conversion of CCPS during the year	2,559	-
Add: Issue of Equity Shares on exercise of employee stock option	3,16,800	-
Add: Issue of Equity Shares during the year	4,63,500	-
Add: Bonus shares issued during the year *	94,77,375	99,50,000
Add: Equity shares arising on share split from Rs. 10 to Re. 1 per share	8,57,25,000	-
Less: Shares bought back during the year	-	(9,86,800)
Number of equity shares outstanding at the end of the year	9,60,30,300	90,13,200
Number of equity shares outstanding at the end of the year (post share split) @	9,60,30,300	9,01,32,000
Number of instruments completely in the nature of equity at the beginning of the year	20,616	-
Add: Shares issued during the year	1,762	15,507
Add: Instrument classified as completely in the nature of equity during the year	-	5,109
Less: Shares converted into equity shares during the year	(2,559)	-
Add: Bonus shares issued during the year *	5,07,450	10,16,691
Number of equity shares outstanding at the end of the year	5,27,269	10,37,307
Number of equity shares outstanding at the end of the year (post share split) @	52,72,690	1,03,73,070
Total of equity shares and instruments completely in the nature of equity	9,65,57,569	1,00,50,507
Total of equity shares and instruments completely in the nature of equity ((post share split) @)	10,13,02,990	10,05,05,070
Weighted average number of shares outstanding during the year for Basic EPS	13,48,35,173	10,14,70,780
<b>Diluted EPS</b>		
Weighted average number of shares outstanding during the year for Basic EPS	13,48,35,173	10,14,70,780
Add: Weighted average number of preference shares outstanding during the year, to be converted into equity shares (other than those classified as instruments completely in the nature of equity)	-	78,10,470
Add: Employee stock options outstanding	1,19,700	2,68,000
Weighted average number of shares outstanding during the year for Diluted EPS	13,49,54,873	10,95,49,250
<b>Earnings Per Share (Rs.):</b>		
Basic	5.10	8.53
Diluted	5.09	7.97

For the purpose of computing Basic EPS, equity shares which will be issued upon conversion of Instrument entirely Equity in nature have been considered from the date of their issue.

\* The Holding Company has issued bonus share in the ratio of 1:199 during the year ended 31 March 2022 (refer note 16(f)). In line with the requirements of Para 28 of Ind AS 33, for the purpose of EPS calculations, bonus shares issued have been considered as if the event of bonus issue had occurred at the beginning of the earliest period presented.

@ Pursuant to the resolutions passed by the Board of Directors on 15 December 2021 and the Shareholders on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share. Accordingly, the issued, subscribed and paid-up equity share capital of the Company being 9,525,000 equity shares of Rs. 10 each was sub-divided into 95,250,000 equity shares. The number of shares to be used in the Basic EPS and Diluted EPS calculation in respect of the period presented above have been accordingly adjusted to give retrospective effect to the share split.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 33 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### (i) Contingent Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Contingencies</b>		
Indirect Tax matters	341.98	-
<b>Claims against the Company not acknowledged as debts</b>		
Dividend on 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each @	0.01	0.00

(a) The Holding Company has received a show cause notice from the Commissioner of Customs (Import) alleging incorrect classification of the product "Bluetooth Headphone". The Holding Company has filed an appeal before Commissioner of Customs (Import) ACC Sahar. The Company believes that the demand will not materialise and hence the same has been disclosed as contingent liability.

(b) @ The Holding Company has issued 17,269 (31 March 2021: 15507) 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each which carry a right to preferred cumulative dividend of 0.01% of the par value per annum. As at 31 March 2022, the arrears of preferred cumulative dividend not yet declared by the Holding Company amounts to Rs 12,496 (31 March 2021: Rs. 2,192)

(c) There are no other contingent liabilities as on 31 March 2022 (31 March 2021: Nil)

#### (ii) Contingent assets

There are no contingent assets as on 31 March 2022 (31 March 2021: Nil)

### 34 COMMITMENTS

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A. Lease commitments</b>		
Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets, leases with term less than twelve months and variable leases.		
Not later than one year	15.66	0.25
Later than one year and not later than five years	-	-
Later than five years	-	-
	<b>15.66</b>	<b>0.25</b>

#### B. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)

- -

#### C. Other commitments

There are no commitments which are given outside the Group, Holding Company has given support letter to one of it Wholly Owned Subsidiary Dive Marketing Private Limited.

- -

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS

#### A. Financial instruments by category and their fair value

The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	Note	Carrying amount		
		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
FINANCIAL ASSETS				
Financial assets measured at fair value				
Investments measured at				
- Fair value through profit or loss	7	26.98	24.48	23.31
Financial assets measured at amortised cost				
Trade receivables	12	3,231.15	754.83	552.75
Cash and cash equivalents	13	603.77	1,443.93	73.15
Bank balance other than cash and cash equivalents	14	1,575.84	45.00	12.50
Loans	15	7.21	0.59	0.93
Other financial assets	8	2,574.28	23.46	16.55
Total financial assets		8,019.23	2,292.29	679.19
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Borrowings	18	9,211.32	415.33	488.11
Lease liabilities	19	140.13	101.62	54.90
Trade payables	21	2,187.44	1,205.84	343.50
Other financial liabilities	22	568.70	30.74	10.15
Total financial liabilities		12,107.59	1,753.53	896.66

#### B. Fair Value Hierarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

**Level 1:** Quoted prices for identical instruments in an active market;

**Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2022</b>				
<b>Assets at fair value</b>				
Investments in mutual funds	26.98	-	-	26.98
<b>As at 31 March 2021</b>				
<b>Assets at fair value</b>				
Investments in mutual funds	24.48	-	-	24.48
<b>As at 31 March 2020</b>				
<b>Assets at fair value</b>				
Investments in mutual funds	23.31	-	-	23.31

There have been no transfers between Level 1 and Level 2 during the reporting periods.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

#### B. Fair Value Hierarchy (Continued)

##### Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31 March 2021.

##### Financial assets and liabilities measured at fair value as at Balance Sheet date:

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

##### Other financial assets and liabilities

Fair value of financial assets and liabilities measured at amortised cost (cash and cash equivalents, other bank balance, trade receivables, other financial assets, trade payables, borrowings, lease liabilities and other financial liabilities) is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

#### C. Financial risk management

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Group's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Holding Company.

##### (i) Management of Liquidity Risk

Liquidity risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

##### Financing arrangement

The Holding Company had access to the following undrawn borrowing facilities at the end of the reporting year:

Particulars	As at	As at	As at
	31 March 2022	31 March 2021	1 April 2020
Cash credit facilities (includes bank overdraft and working capital facilities)	719.76	773.61	288.80
Other financing arrangements (includes bill discounting, letter of credit, etc.)	569.83	44.89	20.00
	<b>1,289.59</b>	<b>818.50</b>	<b>308.80</b>

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

#### C. Financial risk management (continued)

##### (i) Management of Liquidity Risk (continued)

##### 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 estimated interest receipts / payments and exclude the impact of netting agreements.

Particulars	Note	Undiscounted Amount			Total
		Carrying amount	Within 1 year	More than 1 year	
<b>As at 31 March 2022</b>					
<b>Financial liabilities (non derivative liabilities)</b>					
Borrowings	18	9,211.32	9,211.32	-	9,211.32
Lease liabilities	19	140.13	45.19	104.01	149.20
Trade payables	21	2,187.44	2,187.44	-	2,187.44
Other financial liabilities	22	568.70	568.70	-	568.70
<b>As at 31 March 2021</b>					
<b>Financial liabilities (non derivative liabilities)</b>					
Borrowings	18	415.33	655.33	-	655.33
Lease liabilities	19	101.62	24.57	86.39	110.96
Trade payables	21	1,205.84	1,205.84	-	1,205.84
Other financial liabilities	22	30.74	30.74	-	30.74
<b>As at 01 April 2020</b>					
<b>Financial liabilities (non derivative liabilities)</b>					
Borrowings	18	488.11	435.11	252.00	687.11
Lease liabilities	19	54.90	13.49	47.48	60.97
Trade payables	21	343.50	343.50	-	343.50
Other financial liabilities	22	10.15	10.15	-	10.15

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

#### C. Financial risk management (continued)

##### (ii) Management of 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 Group size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk
- price risk
- interest rate risk

##### Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The functional currency of the Group is Indian Rupees and its revenue is generated from operations in India. The Group does not enter into any derivative instruments for trading or speculative purposes. The Holding Company's borrowings are all in Indian rupees.

Transactional exposures arise from transactions in foreign currency. They are managed in a prudent and systematic manner in accordance with the Group's specific business needs.

The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Trade and Other Payable</b>			
USD (United States Dollar)			
Amount in foreign currency	7.70	5.10	0.14
Amount in INR	583.89	372.57	10.73
CNY (Chinese Renminbi)			
Amount in foreign currency	0.02	-	-
Amount in INR	0.24	-	-
SGD (Singapore Dollar)			
Amount in foreign currency	0.07	-	-
Amount in INR	3.92	-	-
<b>Trade and Other Receivable</b>			
USD (United States Dollar)			
Amount in foreign currency	-	-	-
Amount in INR	-	-	-
CNY (Chinese Renminbi)			
Amount in foreign currency	0.06	-	-
Amount in INR	0.72	-	-
SGD (Singapore Dollar)			
Amount in foreign currency	0.13	-	-
Amount in INR	7.28	-	-
<b>Cash and cash equivalents</b>			
USD (United States Dollar)			
Amount in foreign currency	-	-	-
Amount in INR	-	-	-
CNY (Chinese Renminbi)			
Amount in foreign currency	0.32	-	-
Amount in INR	3.82	-	-
SGD (Singapore Dollar)			
Amount in foreign currency	0.04	-	-
Amount in INR	2.24	-	-

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

#### C. Financial risk management (continued)

The Company is mainly exposed to changes in USD, SGD, CNY. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Particulars		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
5% strengthening of INR compared to USD	Profit or (Loss)	29.19	18.63	0.54
5% strengthening of USD compared to INR	Profit or (Loss)	(29.19)	(18.63)	(0.54)
5% strengthening of INR compared to CNY	Profit or (Loss)	(0.22)	-	-
5% strengthening of CNY compared to INR	Profit or (Loss)	0.22	-	-
5% strengthening of INR compared to SGD	Profit or (Loss)	(5.60)	-	-
5% strengthening of SGD compared to INR	Profit or (Loss)	5.60	-	-

#### Price risk

The Holding Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Group has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds.

The carrying amounts of the Holding Company's investment in mutual funds are as follows:

Particulars		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Investments in mutual funds		26.98	24.48	23.31
<u>Sensitivity analysis:</u>				
1% increase in prices	Profit or (Loss)	0.27	0.24	0.23
1% decrease in prices	Profit or (Loss)	(0.27)	(0.24)	(0.23)

#### Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Holding Company's portfolio of borrowings comprise of fixed rate loans which are monitored continuously in the light of market conditions.

The Holding Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Group does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

#### C. Financial risk management (continued)

##### (iii) Management of Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Group. The potential activities where credit risks may arise include from cash and cash equivalents, investment in equity and preference shares of Associate Group and security deposits principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Group along with relevant mitigation procedures adopted have been enumerated below:

##### Trade receivables

The Group's exposure to credit risk is the exposure that Group has major business dealings with few parties to whom sales are made on credit basis and the contracted consideration is yet to be received. The Group's majority customer base are ecommerce marketplace players.

The Group provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix.

The Group has considered an assessment of past history and has taken into account various factors including future forecast conditions for determination of allowance for expected credit loss.

Refer to note 12 (iv) for ageing for trade receivables from the due date of payment.

The provision for impairment of trade receivables, movement of which has been provided in note 12 (iii), is not significant / material.

##### Other financial assets

The Group maintains exposure in cash and cash equivalents and term deposits with banks. The Group has set counter-party limits based on multiple factors including financial position, credit rating, etc. The Group's maximum exposure to credit risk as at 31 March 2022 and 31 March 2021 is the carrying value of each class of financial assets.

### 36 CAPITAL MANAGEMENT

The Group defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group (which is the Group's net asset value). The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Holding Company's adjusted net debt to equity ratio was as follows.

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Borrowings (refer note 18)	9,211.32	415.33	488.11
Lease liabilities (refer note 19)	140.13	101.62	54.90
Total debt liabilities	9,351.46	516.95	543.01
Less : Cash and bank balances (refer note 13)	(603.77)	(1,443.93)	(73.15)
Less : Bank balance other than cash and cash equivalents (refer note 14)	(1,575.84)	(45.00)	(12.50)
Less : Bank deposits with remaining maturity more than 1 year (refer note 8)	-	-	-
Less : Bank deposits with remaining maturity less than 1 year (refer note 8)	(2,436.19)	-	-
Adjusted net debt	4,735.65	(971.98)	457.36
Total equity	6,019.39	4,641.68	715.29
Adjusted net debt to adjusted equity ratio	0.79	(0.21)	0.64
Debt equity considering only borrowings as debt	1.53	0.09	0.68



# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 37 RELATED PARTY DISCLOSURES

#### A. Names of the related parties of the Company

<b>Entity having significant influence</b>	South Lake Investment Ltd (with effect from 5 January 2021)
<b>Associate company</b>	Sirena Labs Private Limited (with effect from 5 November 2019) Kimirica Lifestyles Private Limited
<b>Key management personnel (KMP)</b>	Mr. Aman Gupta - Director Mr. Sameer Mehta - Director Mr. Kanwaljit Singh - Director (with effect from 17 April 2018) Mr. Anish Saraf - Director (with effect from 5 January 2021) Mr. Vikram Chogle - Director (with effect from 5 January 2021, resigned with effect from 19 January 2022) Mr. Aashish Kamat - Independent Director (with effect from 12 November 2021) Mr. Anand Ramamoorthy - Independent Director (with effect from 12 November 2021) Mr. Deven Waghani - Independent Director (with effect from 15 December 2021) Ms. Purvi Sheth - Independent Director (with effect from 12 November 2021) Mr. Vivek Gambhir - Chief Executive Officer (with effect from 9 February 2021) Mr. Ankur Sharma - Chief Financial Officer (with effect from 4 June 2021) Ms. Dhara Joshi - Company Secretary (with effect from 13 May 2021 upto 5 May 2022) Mr. Mukesh Ranga - Company Secretary (with effect from 5 May 2022)
<b>Entities in which KMP have significant influence</b>	Redwood Interactive (partnership firm where one of the Director is interested) Kores (India) Limited (up to 30 September 2020)

#### B. Disclosure of transactions between the Group and related parties

<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<b>Sales of goods</b>		
Sirena Labs Private Limited	-	0.10
Kores (India) Limited	-	0.09
<b>Purchase of goods</b>		
Sirena Labs Private Limited	3.24	5.44
Redwood Interactive	0.01	15.79
<b>Rent expenses</b>		
Redwood Interactive	-	0.28
<b>Reimbursement of expenses received</b>		
Sirena Labs Private Limited	-	0.18
Mr. Sameer Mehta	-	0.01
Redwood Interactive	-	0.02
<b>Reimbursement of expenses paid</b>		
Mr. Aman Gupta	4.77	78.15
Mr. Sameer Mehta	0.03	
Mr. Ankur Sharma	0.12	
Redwood Interactive	-	0.01
Mr. Vivek Gambhir	0.22	-
Ms. Dhara Joshi	0.01	-
<b>Contribution paid towards equity share capital</b>		
Kimirica Lifestyle Private Limited	29.99	-
<b>Contribution paid towards non cumulative compulsory convertible preference share capital</b>		
Kimirica Lifestyle Private Limited	270.02	-
<b>Advance received back</b>		
Sirena Labs Private Limited	-	6.50

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 37 RELATED PARTY DISCLOSURES (CONTINUED)

#### B. Disclosure of transactions between the Group and related parties (Continued)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Repayment of short-term borrowings (including interest)</b>		
Mr. Aman Gupta	-	1.25
Mr. Sameer Mehta	-	7.45
<b>Interest expense on short-term borrowings</b>		
Mr. Sameer Mehta	-	0.38
<b>Purchase of brand (excluding stamp duty)</b>		
Redwood Interactive	-	50.00
<b>Directors Sitting Fees</b>		
Mr. Aashish Kamat	0.40	-
Ms. Purvi Sheth	0.40	-
Mr. Deven Waghani	0.28	-
Mr. Anand Ramamoorthy	0.45	-
<b>Commission to Directors</b>		
Mr. Aashish Kamat	1.50	-
Mr. Anand Ramamoorthy	1.50	-
Mr. Deven Waghani	1.50	-
Ms. Purvi Sheth	1.50	-
<b>Issue of preference share capital</b>		
South Lake Investment Ltd	-	4,400.10
<b>Payment made for buy back of equity shares</b>		
Mr. Aman Gupta	-	567.75
Mr. Sameer Mehta	-	567.75
<b>Remuneration to Key management personnel</b>		
Mr. Aman Gupta	16.25	10.00
Mr. Sameer Mehta	16.25	10.00
Mr. Vivek Gambhir	24.57	3.44
Mr. Ankur Sharma	7.26	-
Ms. Dhara Joshi	1.25	-
<b>Share based payments expense</b>		
Mr. Vivek Gambhir	125.68	-
Mr. Ankur Sharma	1.79	-

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 37 RELATED PARTY DISCLOSURES (CONTINUED)

#### C. Status of outstanding balances

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Trade receivables</b>		
Sirena Labs Private Limited	2.64	6.46
Allowance for expected credit loss	(2.64)	(2.64)
<b>Trade payables</b>		
Sirena Labs Private Limited	1.74	1.74
Redwood Interactive	-	0.03
<b>Capital creditor</b>		
Redwood Interactive	-	16.00
<b>Trade advance receivable</b>		
Sirena Labs Private Limited	13.50	13.50
Allowance for doubtful trade advance	(13.50)	(13.50)
<b>Interest receivable on trade advance</b>		
Sirena Labs Private Limited	1.77	1.77
Allowance for doubtful interest receivable on trade advance	(1.77)	(1.77)
<b>Reimbursement of expenses payable</b>		
Mr. Vivek Gambhir	0.20	-
<b>Remuneration payable to Key management personnel @</b>		
Mr. Aman Gupta	-	0.16
Mr. Sameer Mehta	-	0.57
Mr. Vivek Gambhir	-	1.64

@ As the liabilities for employee benefit provisions are provided on actuarial basis for the Company as a whole, the amounts pertaining to key management personnel are not included.

During the year ended 31 March 2021, the Company has recognised a provision for impairment against the investment in associate company - Refer note 6

All transactions above are in normal course of business and are net of eliminations.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 37 RELATED PARTY DISCLOSURES (CONTINUED)

#### D. Details of guarantees of key management personnel and shares pledged:

- i Personal guarantee of Mr. Sameer Mehta and Mr. Aman Gupta for the cash credit facility with Citi, ICICI and RBL banks.
- ii Pledge of 14,480 Equity shares (7,240 owned by Mr. Sameer Ashok Mehta and 7,240 owned by Mr. Aman Gupta) for debenture issued to BAC Acquisition Pvt Ltd. During the year, all the outstanding debenture were fully repaid and pledge has been removed.
- iii Pledge of 7,500 Equity shares (3,750 owned by Mr. Sameer Ashok Mehta and 3,750 owned by Mr. Aman Gupta) for secured loan obtained from Innoven Capital India Pvt Ltd towards Working Capital & Term Loan.
- iv Pledge of 2,500 Equity shares (1,250 owned by Mr. Sameer Ashok Mehta and 1,250 owned by Mr. Aman Gupta) for Cash Credit (CC) facility from Citi bank.
- v Pledge of 1,250 Equity shares (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) for Cash Credit (CC) facility from ICICI bank.
- vi Pledge of 3,750 Equity shares (1,875 owned by Mr. Sameer Ashok Mehta and 1,875 owned by Mr. Aman Gupta) for secured working capital demand loan (sublimit of cash credit facility) from RBL Bank .
- vii Pledge of 1,250 Equity shares (625 owned by Mr. Sameer Ashok Mehta and 625 owned by Mr. Aman Gupta) for secured loan from HDFC bank.

During the year ended 31 March 2022, all the above pledges have been removed and there are no active pledge as at 31 March 2022.

#### E. Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables other than those mentioned in note 37D. For the year ended 31 March 2022, the Company has recorded impairment of receivables relating to amounts owed by related parties (see note 37C). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 38 SEGMENT INFORMATION

#### A. Business Segments

The group has determined following reporting segments based on the information reviewed by the Group's Chief Operating Decision Maker ('CODM'):

- (i) Audio includes wired earphone, wireless earphone, wired headphone, wireless headphone, wireless speakers and soundbar.
- (ii) Wearables include smart watches.
- (iii) Others includes cables, charges, mens grooming kit and gaming equipments.

The above business segments have been identified considering:

- (i) the nature of products
- (ii) the differing risks and returns
- (iii) the internal organisation and management structure, and
- (iv) the internal financial reporting systems

The Chief Executive Officer of the Company, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM.

Segment Results are arrived at based on segment revenues less direct and allocable cost associated with the segment.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Revenue</b>		
<b>External revenue</b>		
Audio	22,760.15	12,285.73
Wearables	5,155.13	548.05
Others	792.36	303.38
	<b>28,707.64</b>	<b>13,137.16</b>
<b>Inter segment</b>		
Audio	-	-
Wearables	-	-
Others	-	-
	<b>-</b>	<b>-</b>
<b>Total</b>		
Audio	22,760.15	12,285.73
Wearables	5,155.13	548.05
Others	792.36	303.38
	<b>28,707.64</b>	<b>13,137.16</b>
<b>Result</b>		
Audio	2,030.06	1,406.81
Wearables	(328.20)	56.96
Others	25.62	9.21
<b>Segment Results</b>	<b>1,727.48</b>	<b>1,472.98</b>
Un-allocated corporate expenses net of un-allocated income	(543.77)	(238.60)
Other income	156.74	66.59
Finance costs	(345.95)	(118.78)
<b>Profit before tax</b>	<b>994.50</b>	<b>1,182.19</b>
Less : Share of Loss ( Associates)	(7.00)	-
<b>Profit before tax</b>	<b>987.50</b>	<b>1,182.19</b>
Tax expense		
Current tax	305.84	327.33
Deferred tax	(5.37)	(10.51)
<b>Total tax expense</b>	<b>300.47</b>	<b>316.82</b>
<b>Profit for the year</b>	<b>687.04</b>	<b>865.37</b>

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 39 EMPLOYEE BENEFIT PLANS

##### A. Defined Contribution Plan

Amount incurred and paid towards contribution to provident fund, Labour Welfare Fund and employees' state insurance corporation is recognised as an expense and included in employee benefit expense:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contribution to provident fund and other funds	10.18	3.62

##### B. Defined Benefit Plan

###### (i) Description of Plan

Retirement Benefit Plan of the Company include Gratuity. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service with maximum ceiling as per Companies policies. Gratuity plan is unfunded.

###### (ii) Balance Sheet

The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Fair value of plan assets	-	-	-
Present value of obligations	(11.89)	(2.05)	(0.80)
<b>(Liability) recognised in balance sheet</b>	<b>(11.89)</b>	<b>(2.05)</b>	<b>(0.80)</b>

Movements in Present Value of Obligation:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Defined benefit obligation at the commencement of the year	2.05	0.80	0.26
Current service cost	2.73	1.19	0.36
Interest cost	0.13	0.05	0.02
Past service cost	-	-	-
Taken over pursuant to business combination	5.01	-	-
Actuarial losses / (gains)	4.15	0.01	0.16
Benefits paid	(2.17)	-	-
<b>Defined benefit obligation at the end of the year</b>	<b>11.90</b>	<b>2.05</b>	<b>0.80</b>
Provision for gratuity (under Non-Current provisions) (Refer note 20)	11.78	2.02	0.79
Provision for gratuity (under Current provisions) (Refer note 20)	0.12	0.03	0.01
	<b>11.90</b>	<b>2.05</b>	<b>0.80</b>

###### (iii) Consolidated statement of profit and loss

The charge to the Consolidated statement of profit and loss comprises:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Employee Benefit Expenses:</b>		
Current service cost	2.73	1.19
Past service cost	-	-
	<b>2.73</b>	<b>1.19</b>
<b>Finance costs:</b>		
Interest cost	0.13	0.05
Interest income	-	-
	<b>0.13</b>	<b>0.05</b>
<b>Net impact on profit (before tax)</b>	<b>2.86</b>	<b>1.24</b>
<b>Remeasurement of the net defined benefit plans:</b>		
Actuarial (gains)/losses arising from changes in financial assumptions	1.09	0.01
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from experience adjustments	3.06	0.00
<b>Net impact on other comprehensive income (before tax)</b>	<b>4.15</b>	<b>0.01</b>

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 39 EMPLOYEE BENEFIT PLANS (CONTINUED)

##### (iv) Assumptions

With the objective of presenting the plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Financial Assumptions</b>			
Discount rate (per annum)	7.25%	6.80%	6.85%
Salary Escalation Rate (per annum)	7.00%	7.00%	7.00%

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds, which is consistent with the estimated terms of the obligation.

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

<b>Demographic Assumptions</b>	Age			
Withdrawal Rate	25 and below	10.00%	10.00%	10.00%
	25 to 35	8.00%	8.00%	8.00%
	35 to 45	6.00%	6.00%	6.00%
	45 to 55	4.00%	4.00%	4.00%
	55 and above	2.00%	2.00%	2.00%

Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
----------------	--	--	--

##### (v) Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

Particulars			As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Discount rate (per annum)	Increase	0.50%	(6.09)	(1.92)	(0.75)
	Decrease	0.50%	6.85	2.19	0.85
Salary escalation rate (per annum)	Increase	0.50%	6.70	2.15	0.84
	Decrease	0.50%	(6.22)	(0.20)	(0.76)
Withdrawal Rate	Increase	W.R. x 110%	(6.44)	(2.03)	(0.79)
	Decrease	W.R. x 90%	6.46	2.08	0.81

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous years.

##### (vi) Weighted average duration (in years) of the defined benefit plan:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Gratuity plan	12.50	12.55	12.13

##### (vii) Expected future cash flows in respect of gratuity:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Less than a year	0.12	0.03	0.01
Between 2-5 years	1.43	0.40	0.15
More than 5 years	3.27	0.96	0.38

#### C. Compensated absences

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Expense towards compensated absences included in Employee Benefit expenses	11.77	4.69	1.10

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Provision for compensated absences	17.36	5.62	1.09

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 40 SHARE BASED PAYMENTS

##### Equity Settled Share Based Payments

#### A Share Based Payments

##### Employees Stock Option Plan 2019 ('ESOP 2019')

The ESOP 2019 had been formulated by the Board of Directors of the Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 15 November 2019 and subsequently amended on 25 March 2021. The ESOP 2019 entitles eligible employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2019, holders of vested options are entitled to purchase an equity share for every option at an exercise price as stated in the grant letter.

##### Management Stock Option Plan 2021 ('ESOP 2021')

The ESOP 2021 has been formulated by the Board of Directors of the Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 25 March 2021. The ESOP 2021 entitles eligible employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2021, holders of vested options are entitled to purchase on equity share for every option at an exercise price as stated in the grant letter.

Plan	Employee Entitled	Vesting Conditions	Contractual life of options
ESOP 2019	Eligible Employees	Continued employment with Company	4 years
ESOP 2021	Eligible Employees	Continued employment with Company	4 years

  

Scheme	Year	Date of Grant	Numbers of options granted (adjusting for bonus and Split)	Vesting Conditions	Exercise Period	Exercise Price (Rs.) per share (refer note below)	Weighted Average Exercise Price (Rs.) per share
ESOP 2019	2019	16 November 2019	256	Graded vesting over 4 years from grant date	7 years from date of vesting	30.27	30.27
	2020	15 November 2020	453	Graded vesting over 4 years from grant date	7 years from date of vesting	30.27	30.27
	2021	25 March 2021	50	Graded vesting over 4 years from grant date	7 years from date of vesting	30.27	30.27
	2022	25 October 2021	14,33,500	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2022	25 October 2021	30,000	Vesting over 1 years from grant date	7 years from date of vesting	141.88	141.88
	2022	2 December 2021	14,250	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2022	1 February 2022	4,10,000	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2022	29 March 2022	5,37,400	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
ESOP 2021	2021 - 1	9 February 2021	2,062	Grade vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2021 - 2	9 February 2021	687	4 years from grant date	7 years from date of vesting	141.88	141.88

##### Note:

- The original exercise price for the shares granted under the ESOP 2019 on 16 November 2019, 15 November 2020 and 25 March 2021 was Rs. 60,532 per share. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Company adjusted the exercise price for ESOPs under the ESOP 2019 in accordance with their terms of issuance as set out in the ESOP 2019 and the amended from Rs. 60,532 to Rs. 302.66. Further on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share resulting in adjustment of exercise price from Rs. 302.66 to Rs 30.27.
- The original exercise price for the shares granted under the ESOP 2021 on 13 April 2021 was Rs. 283,749 per share. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Company adjusted the exercise price for ESOPs under the ESOP 2021 in accordance with their terms of issuance as set out in the ESOP 2021 and the amended from Rs. 283,749 to Rs. 1,418.75. Further on December 15, 2021 the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share resulting in adjustment of exercise price from Rs. 1,418.75 to Rs 141.88.
- The original exercise price for the shares granted under the ESOP 2019 on 25 October 2021 and 02 December 2021 was Rs. 1,418.745 per share. Pursuant to the Corporate Event on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share, the Company adjusted the exercise price for ESOPs under the ESOP 2019 in accordance with their terms of issuance as set out in the ESOP 2019 and the amended from Rs. 1,418.75 to Rs. 141.88.



## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 40 SHARE BASED PAYMENTS (CONTINUED)

Scheme	Year	For the year ended	Number of Share Options				
			Outstanding at the beginning of the year	Granted during the year*	Forfeited/Expired during the year	Exercised during the year	Outstanding at the end of the year
ESOP 2019	2019	31 March 2021	256	-	(15)	-	241
		31 March 2022	241	4,81,759	(1,10,000)	(1,96,500)	1,75,500
	2020	31 March 2021	-	453	-	-	453
		31 March 2022	453	9,05,547	(3,08,000)	(1,20,300)	4,77,700
	2021	31 March 2021	-	50	-	-	50
		31 March 2022	50	99,950	-	-	1,00,000
	2022	31 March 2021	-	-	-	-	-
		31 March 2022	-	24,25,150	(42,000)	-	23,83,150
	ESOP 2021	2021 - 1	31 March 2021	-	2,062	-	2,062
			31 March 2022	2,062	41,21,938	-	41,24,000
		2021 - 2	31 March 2021	-	687	-	687
			31 March 2022	687	13,73,313	-	13,74,000

\* Granted during the year includes additional options granted upon issuance of bonus shares to existing shareholders and share split from Rs. 10 each to Re. 1 each (refer note 16(f))

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 40 SHARE BASED PAYMENTS (CONTINUED)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Weighted average equity share price at the date of exercise of options during the year	141.88	-
Weighted average remaining contractual life of options (years) as at the end of the year	8.46	9.10

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Risk-free interest rate (%)	5.08% to 6.84%	5.96%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	4 to 7.33 years	4.5 to 6 years
Expected volatility (%)	14.89% to 21.82%	76.24%
Dividend yield	0.00%	0.00%

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

#### Effect of share based payment transactions on the Consolidated statement of profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Equity settled share based payments	155.72	11.82
<b>Total expense recognized under "Employee benefits expense"</b>	<b>155.72</b>	<b>11.82</b>

#### 41 INVESTMENT IN SIRENA LABS PRIVATE LIMITED

The Holding Company had invested Rs. 50,000,017 in Sirena Labs Private Limited ("SLPL") on 5 November 2019 pursuant to which 3,703 equity shares of Rs. 10 each of SLPL were issued to the Holding Company which accounted for 27% share by the Company in SLPL. In accordance with AS 23, Accounting for associate in Standalone financial statements, the Holding Company had accounted for its share of net loss of Rs. 6,672,977 in the Standalone financial statements for the year ended 31 March 2020.

During the year ended 31 March 2021, on account of non-payment of dues by SLPL, the Holding Company initiated a legal dispute against the management of SLPL. As a result, the entire carrying value of the Holding Company's investment in SLPL was impaired. Due to the said legal dispute, the management of SLPL did not provide access to the financial information of SLPL to the Holding Company during the year ended 31 March 2021 and subsequent to the year end as well. The Holding Company confirms that there are no future contractual obligations for compensating or making good any losses (actual and potential) incurred by SLPL.

Considering the above and the full impairment of the Holding Company's investment in SLPL, management has considered its share of profits/losses of SLPL to be Rs. Nil in its Standalone financial statements for the year ended 31 March 2021 and 31 March 2022.

Since the carrying value of the investment is Rs. Nil as at 31 March 2021 and 31 March 2022 respectively in the Standalone financial statements, in compliance with paragraph 38-39 of Ind AS 28, Investments in Associate and Joint Ventures, the Holding Company is not required to account for any further share of its losses in SLPL and accordingly, there is no impact on these Standalone financial statements.

- 42 During the year ended 31 March, 2022, the Holding Company had filed Draft Red Herring Prospectus (DRHP) with SEBI in connection with the proposed Initial Public Offer (IPO) of equity shares of the Holding Company by way of fresh issue and an offer for sale by the existing shareholders, the Holding Company has confirmed that it is in the process of withdrawing the DRHP application filed with Securities and Exchange Board of India (SEBI) on 25 October 2022.. The Holding Company had incurred expenses to the tune of Rs 83.71 million which has been charged to the statement of Profit and Loss in the current year.

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 43 FIRST TIME ADOPTION OF IND AS

The Consolidated Balance Sheet of the Company as at 31 March 2022, the Consolidated Statement of profit and loss, the Consolidated statement of changes in equity and the Consolidated statement of cash flows for the year ended 31 March 2022 and other financial information has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

These are Company's first Consolidated Financial Statements prepared in accordance with Ind AS. For the year ended 31 March 2021, the Company had prepared its Consolidated Financial Statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 2 have been applied in preparing these Consolidated Financial Statements for the year ended 31 March 2022 including the comparative information for the year ended 31 March 2021 and the opening Consolidated Ind AS Balance Sheet on the date of transition i.e. 01 April 2020.

In preparing its Consolidated Ind AS Balance Sheet as at 01 April 2020 and in presenting the comparative information for the year ended 31 March 2021, the Company has adjusted amounts reported previously in its Consolidated Financial Statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its Consolidated Financial Statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

#### A. Exemptions applied:

##### (i) Mandatory exceptions:

##### (a) Estimates:

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Determination of the discounted value for financial instruments carried as amortised cost.
- Impairment of financial assets based on the expected credit loss model.

##### (b) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

##### (ii) Optional exemptions:

##### (a) Deemed cost for property, plant and equipment:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date 1 April 2020.

##### (b) Leases:

The Group has adopted Ind AS 116 following the full retrospective approach. The Group has applied the following available practical expedients wherein it:

- a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- b) Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

#### B. Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Notes	As at	As at
		31 March 2021	1 April 2020
<b>Total equity reported earlier under previous GAAP</b>		<b>4,663.01</b>	<b>871.33</b>
<b>Ind AS adjustments</b>			
Leases	(i)	(34.85)	(20.64)
Financial assets measured at amortised cost	(ii)	0.73	0.29
Financial assets measured at FVTPL	(iii)	0.47	(0.69)
Classification of Series A CCPS as compound financial instruments and recognising liability component	(v)	(117.04)	(117.04)
Deferred tax liability recognised on the equity component	(v)	(27.07)	(27.07)
Reversal of Deferred tax liability recognised on the equity component on account of tax rate change	(v)	3.46	3.46
Reclassification of Series A CCPS from liability to Instrument completely in nature of equity	(v)	144.64	-
Reversal of Deferred tax liability recognised on the equity component on account of reclassification of CCPS	(v)	16.44	-
Allowance for expected credit loss	(vii)	(22.60)	-
Tax adjustments	(viii)	14.49	5.65
<b>Total equity as per Ind AS</b>		<b>4,641.68</b>	<b>715.29</b>

#### C. Reconciliation of total comprehensive income between previous GAAP and Ind AS:

Particulars	Notes	Year ended
		31 March 2021
<b>Profit for the year reported earlier under previous GAAP</b>		<b>785.95</b>
<b>Ind AS adjustments</b>		
Leases	(i)	(14.21)
Financial assets measured at amortised cost	(ii)	0.44
Financial assets measured at FVTPL	(iii)	1.16
Expenses incurred directly in connection with issue of CCPS	(iv)	91.52
Gain on derecognition of liability component of CCPS	(v)	20.43
Share based payment expense	(vi)	(6.17)
Allowance for expected credit loss	(vii)	(22.60)
Remeasurements of the defined benefit plans reclassified to OCI	(viii)	0.01
Tax adjustments	(ix)	8.84
<b>Profit for the year reported earlier under Ind AS</b>		<b>865.37</b>
Other comprehensive income (net of tax)		(0.01)
<b>Total comprehensive Income as reported under Ind AS</b>		<b>865.36</b>

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 43 FIRST TIME ADOPTION OF IND AS (CONTINUED)

#### D. Impact of Ind AS adoption on the Summary Statement of Cash Flows

There were no material differences between the summary statement of cash flows and cash flow statement under previous GAAP.

#### E. Notes to first time adoption

##### (i) Leases

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Under Ind AS 116, all arrangement that fall under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Company has recognised a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

The impact arising from the change [increase / (decrease)] is as follows:

		Year ended 31 March 2021	
Statement of Profit and Loss			
Rent expense		19.26	
Interest expense on financial liabilities measured at amortised cost - on lease liabilities		(15.38)	
Depreciation of right-of-use assets		(21.44)	
Gain due to reduction in lease rental during COVID-19		3.35	
Adjustment before income tax - Profit / (loss)		(14.21)	
		As at 31 March 2021	As at 1 April 2020
Statement of Assets and Liabilities			
Right-of-use assets		97.28	53.84
Lease liabilities		101.62	54.90
		198.90	108.74

##### (ii) Financial assets measured at amortised cost

Under previous GAAP, the security deposits paid for lease rent are shown at the transaction value. Whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting year. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognized as right-of-use assets and is amortized over the period of the lease term. Further, interest is accreted on the present value of the security deposits paid for lease rent.

The impact arising from the change [increase / (decrease)] is as follows:

		Year ended
<b>Statement of Profit and Loss</b>		<b>31 March 2021</b>
Interest income from financial assets at amortized cost	0.44	
<b>Adjustment before income tax - Profit / (loss)</b>	<b>0.44</b>	
<b>Statement of Assets and Liabilities</b>		
	As at 31 March 2021	As at 1 April 2020
Right-of-use assets	0.64	1.49
Other financial assets (Security deposits)	(0.64)	(1.49)
	-	-

##### (iii) Financial assets measured at FVTPL

Under previous GAAP, the investments in mutual funds were subsequently recognised at cost less provision for diminution in value. Whereas under Ind AS, the same are subsequently recognised at fair value at the end of every financial reporting year. Accordingly, the difference between the cost and the fair value of the mutual funds is recognized as a gain / (loss) in the statement of profit and loss.

The impact arising from the change [increase / (decrease)] is as follows:

		Year ended
		31 March 2021
<b>Statement of Profit and Loss</b>		
Fair valuation gain/(loss) from investments designated at FVTPL		1.16
<b>Adjustment before income tax - Profit / (loss)</b>		<b>1.16</b>
	As at	As at
	31 March 2021	1 April 2020
<b>Statement of Assets and Liabilities</b>		
Investments	0.48	(0.69)
	<b>0.48</b>	<b>(0.69)</b>

##### (iv) Expenses incurred directly in connection with issue of CCPS

Under previous GAAP, expenses incurred on issue of share capital were recognised as an expense in the statement of profit and loss. Whereas under Ind AS, the same are recognised directly in other equity. Accordingly, the expenses incurred on issue of CCPS have be reclassified to other equity in the financial statements.

The impact arising from the change [increase / (decrease)] is as follows:

	Year ended
Statement of Profit and Loss	31 March 2021
Reclass of share issue expense from other expenses to other equity	91.52
Adjustment before income tax - Profit / (loss)	91.52

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

#### 43 FIRST TIME ADOPTION OF IND AS (CONTINUED)

##### E. Notes to first time adoption (continued)

##### (v) Accounting for Series A CCPS

###### Classification of Series A CCPS as compound financial instruments and recognising liability component

Under previous GAAP, preference shares issued were classified as part of share capital. Whereas under Ind AS, the same are classified as either equity, liability or compound financial instruments based on the terms of the instrument issued. In the case of the Company, the Series A CCPS and Series A1 CCPS (both together referred to as 'Series A CCPS') were issued with a conversion ratio of 1:1 as per the Shareholders Agreements (SHA). However, the SHA also included an Exit clause to the investor (Fireside Ventures Investment Fund - I) through IPO or facilitating and causing sale of inventor's securities to any person within 6+2 years from the closing date. The Exit price was determined to be no less than 1.2 times the subscription amount paid by the Investor. Accordingly, Series A CCPS were considered to be compound financial instrument as at the transaction date. (refer note 16 (h)). In lines with the requirement of the Indian accounting standard, the liability component was reclassified from equity and recognised as a financial liability under the heading "Borrowings".

###### Deferred tax liability recognised on the equity component

A deferred tax liability was recognised on the equity portion of the Series A CCPS in lines with the requirement of Ind AS 12, Income Taxes on the date of initial recognition.

###### Reversal of Deferred tax liability recognised on the equity component on account of tax rate change

During the year ended 31 March 2020, the Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company re-measured its net deferred tax liabilities basis the rate prescribed in the said section. The impact of this change on the deferred tax liability recognised on the equity component of the compound financial instruments was recognised directly in equity.

###### Reclassification of Series A CCPS from liability to Instrument completely in nature of equity and Gain on derecognition of liability component of CCPS

During the year ended 31 March 2021, Fireside Ventures Investment Fund - I waived off the right to the Exit clause as mentioned in the SHA dated 4 April 2018 and 31 December 2018 respectively. Consequently, the classification of the instrument was changed from compound financial instrument to "Instrument entirely Equity in nature". This results in the reversal of interest accrued from the transaction date to the date of reclassification which was recognised as a gain in the statement of profit and loss.

###### Reversal of Deferred tax liability recognised on the equity component

The balance deferred tax liability recognised on the equity portion of the Series A CCPS was reversed in the equity.

##### (vi) Share based payment expense

Under Previous GAAP, the intrinsic value of the employee stock option plan was recognised as an expense over the vesting period. Under Ind AS, the compensation cost of employee stock option plan is recognised based on the fair value of the options determined using an appropriate pricing model at the date of grant. Accordingly, the impact of increase in the Share based payment expense has been recognised in 'Employee benefits expense' in the statement of profit and loss.

	Year ended 31 March 2021
<b>Statement of Profit and Loss</b>	
Share based payment expense	(6.17)
<b>Adjustment before income tax - Profit / (loss)</b>	<b>(6.17)</b>

##### (vii) Allowance for expected credit loss

Under Previous GAAP, provision for doubtful trade receivables was recognised under an incurred loss model. Under Ind AS, an allowance for trade receivable are recognized using the expected credit loss model. Accordingly, an allowance for expected credit loss model has been recognised in the financial statements.

The impact arising from the change [increase / (decrease)] is as follows:

	As at 31 March 2021	As at 1 April 2020
<b>Statement of Profit and Loss</b>		
Provision for loss allowance for trade receivables	(22.60)	
<b>Adjustment before income tax - Profit / (loss)</b>	<b>(22.60)</b>	
<b>Statement of Assets and Liabilities</b>		
Trade receivables	(22.60)	5.48
	<b>(22.60)</b>	<b>5.48</b>

##### (viii) Remeasurements of the defined benefit plans reclassified to OCI

Under Previous GAAP, the actuarial gain/(loss) of defined benefit plans had been recognised in statement of profit and loss under employee benefits expense. Under Ind AS, the remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income (net of tax).

##### (ix) Tax adjustments

Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through statement of profit and loss or other comprehensive income.

	Year ended 31 March 2021
<b>Statement of Profit and Loss</b>	
<b>Tax adjustments on Ind AS adjustments</b>	
Deferred tax impact on right-of-use asset	(10.93)
Deferred tax impact on lease liabilities	11.76
Deferred tax impact on compound financial instrument	2.48
Deferred tax impact on investments measured at FVTPL	(0.34)
Deferred tax impact on security deposits	0.19
Deferred tax impact on other	5.68
<b>Adjustment - Profit / (loss)</b>	<b>8.84</b>

##### F. Regrouping / reclassification

Appropriate adjustments have been made in the Consolidated Financial statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the Ind AS presentation requirements.

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 44 BUSINESS COMBINATION

During the year ended 31 March 2022, the Company has acquired control of KaHa Group. Prior to acquisition, the KaHa Group comprised of Kaha PTE Limited ("Kaha Pte") headquartered in Singapore and its subsidiaries, KaHa Technology (ShenZhen) Co. Limited ("Kaha China") and KaHa Technologies Private Limited ("KaHa India"). For purpose of acquisition of the KaHa Group, the Company entered into separate shareholders agreements to acquire shares in Kaha PTE Limited and KaHa Technologies Private Limited.

- A** Imagine Marketing Singapore Pte. Ltd (Imagine Singapore), one of the wholly owned subsidiaries of the Holding Company acquired on 10 February 2022, 100% stake in Kaha PTE Limited ("Kaha Pte") and consequently indirect control of its wholly owned subsidiary KaHa Technology (ShenZhen) Co. Limited ("Kaha China") for a cash consideration of US\$ 40 million equivalent to Rs. 2,992.00 millions (Present Value Rs. 2,833.04 million) to be paid in a staggered manner over a period of 3 years. As per the terms and conditions of the Share Purchase Agreement between Imagine Singapore and Kaha Pte., post completion of the aforesaid acquisition, "Kaha Pte" and "Kaha China" has become wholly owned subsidiary and step down subsidiary respectively of Imagine Singapore.

Upon acquisition of Kaha Pte and its subsidiary, which is in the business to develop, design and trade in Smart watches, this will enable the Group to accelerate its journey in smart watch segment through building scalable digital-first brands, either organically or inorganically.

The fair values of identifiable assets and liabilities acquired have been determined by the Company and accounted for in accordance with Ind AS 103 - Business Combination as at the date of acquisition as follows:

Particulars	Amount in Rs. million
<b>Assets</b>	
<b>Non-current assets</b>	
Property, Plant and equipment	1.77
Right to use assets	8.85
Intangible assets - Patents and Trademarks	986.48
Intangible assets - software	80.74
Intangible Assets under development	63.31
<b>Total</b>	<b>1,141.16</b>
<b>Current assets</b>	
Inventories	27.28
Trade Receivables	27.54
Other Current Assets	153.25
Cash and Bank Balance	198.71
<b>Total</b>	<b>406.78</b>
<b>Fair value of assets acquired</b>	<b>1,547.94</b>
<b>Liabilities</b>	
Trade payables and Other payables	283.85
Other Current Liabilities	1.24
Lease Liability	9.33
<b>Fair value of liabilities acquired</b>	<b>294.42</b>
<b>Deferred tax on acquisition</b>	<b>166.89</b>
<b>Total identifiable net assets acquired</b>	<b>1,086.63</b>
<b>Particulars</b>	<b>Amount in Rs. million</b>
Consideration Paid	2,831.95
Less: identifiable net assets acquired	1,086.63
<b>Goodwill</b>	<b>1,745.32</b>

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 44 BUSINESS COMBINATION (continued)

- B** The Holding Company acquired 100% stake in Kaha Technologies Private Limited on 02 February 2022 for a cash consideration of Rs. 77.25 millions as per the terms and conditions of the Share Purchase Agreement thereof entered between the Company and Kaha Technologies Private Limited. Post completion of the aforesaid acquisition, "Kaha Technologies Private Limited" has become wholly owned subsidiary of the Holding Company. This subsidiary, which is in the business to develop, design software used in Smart watches will enable the Group to accelerate its journey in smart watch segment.

The fair values of identifiable assets and liabilities acquired have been determined by the Company and accounted for in accordance with Ind AS 103 - Business Combination as at the date of acquisition as follows:

Particulars	Amount in Rs. million
<b>Assets</b>	
<b>Non-current assets</b>	
Property, Plant and equipment	1.60
Intangible assets - software	0.02
<b>Total</b>	<b>1.62</b>
<b>Current assets</b>	
Trade Receivables	32.61
Other Current Assets	4.99
Cash and Bank Balance	10.73
Deferred tax assets (net)	2.81
Other Financial Assets	1.13
<b>Total</b>	<b>52.28</b>
<b>Fair value of assets acquired</b>	<b>53.90</b>
<b>Liabilities</b>	
Trade payables and Other payables	6.44
Other Current Liabilities	1.61
Provisions	7.11
<b>Fair value of liabilities acquired</b>	<b>15.16</b>
<b>Total identifiable net assets acquired</b>	<b>38.73</b>
<b>Particulars</b>	<b>Amount in Rs. million</b>
<b>Consideration Paid</b>	77.25
<b>Less: identifiable net assets acquired</b>	38.73
<b>Goodwill</b>	<b>38.52</b>

### Disclosure of Revenue and Profit for KaHa Group for current reporting period

	Revenue	Net Loss
i. Since the acquisition date	90.04	(43.62)

The Group incurred acquisition related cost of Rs 39.85 million on legal fees. These costs have been included in "Legal and professional expenses"

# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 44 BUSINESS COMBINATION (continued)

- C HOB Ventures Private Limited, a subsidiary in the Group, acquired 33.33% stake by way of investment in equity shares and non cumulative compulsory convertible preference shares (on fully diluted basis in Kimirica Lifestyle Private Limited (Kimirica) on 23 February 2022 for a cash consideration of Rs. 300.01 million as per the terms and conditions of the Share Purchase Agreement thereof. The Company is in the business of manufacturing & Selling of Personal & beauty care products.

Total Value of Tangible Assets of Kimirica Lifestyle Private Limited is Rs. 15.64 million. Further, the Kimirica owns certain brands (intangible assets), the fair value of which has been determined to be Rs. 415.32 million and useful life is estimated as 10 years. The details of investments are as follows:

Investee Company	Date	Nature of Investment
Kimirica Lifestyle Private Limited	23 February 2022	476 Equity shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up
	23 February 2022	4286, 0.01% Non Cumulative Compulsory Convertible Preference Shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up

#### Summary of standalone financial information relating to Kimirica

Particulars	Amount in million (Rs.)
Ownership interest	33.33%
Total non-current assets	482.16
Total current assets	264.20
<b>Total assets</b>	<b>746.37</b>
Total non-current liabilities	46.41
Total current liabilities	36.69
<b>Total liabilities</b>	<b>83.10</b>
Revenue post date of stake acquisition	7.40
Net loss post date of stake acquisition	14.07
Other comprehensive income post date of stake acquisition	-



# Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

## Notes to the Consolidated Financial Statements for the year ended 31 March 2022

(All amounts are in Rs. million, unless otherwise stated)

### 45 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

Name of the Entity	As at 31 March 2022		For the year ended 31 March 2022					
	Net Assets (Total Assets - Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Imagine Marketing Limited	101.36%	6,101.50	114.72%	788.20	6.80%	(1.59)	118.52%	786.61
<b>Subsidiary</b>								
<b>Indian</b>								
Dive Marketing Private Limited *	-0.09%	(5.64)	-0.83%	(5.74)	0.00%	-	-0.86%	(5.74)
HOB Ventures Private Limited @	5.07%	304.91	-0.76%	(5.19)	0.00%	-	-0.78%	(5.19)
Kaha Technologies Private Limited	0.62%	37.58	0.29%	2.00	1.80%	(0.42)	0.24%	1.58
<b>Foreign</b>								
Imagine Marketing Singapore Pte Ltd #	32.72%	1,969.47	-0.88%	(6.06)	0.00%	-	-0.91%	(6.06)
Kaha Pte Ltd ^	4.05%	243.90	-6.64%	(45.62)	0.00%	-	-6.87%	(45.62)
<b>Associate (Investment as per Equity Method)</b>								
<b>Indian</b>								
Sirena Labs Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Kimirica Lifestyles Private Limited **	4.87%	293.01	-1.02%	(7.00)	0.00%	-	-1.05%	(7.00)
Inter-company eliminations and consolidation adjustments	-48.60%	(2,925.34)	-4.88%	(33.56)	91.39%	(21.31)	-8.27%	(54.87)
<b>Total</b>	<b>100.00%</b>	<b>6,019.39</b>	<b>100.00%</b>	<b>687.04</b>	<b>100.00%</b>	<b>(23.32)</b>	<b>100.00%</b>	<b>663.72</b>

\* New subsidiary incorporated with effect from 3 June 2021.

@ New subsidiary incorporated with effect from 31 December 2021.

# New subsidiary incorporated with effect from 29 November 2021.

\$ Holding Company acquired the entity on 2 February 2022.

^ Imagine Marketing Singapore Pte Limited subsidiary of Holding Company acquired the entity on 10 February 2022.

\*\* Shares held by HOB Ventures Private Limited subsidiary of Holding Company with effect from 23 February 2022.

Name of the Entity	As at 31 March 2021		For the year ended 31 March 2021					
	Net Assets (Total Assets - Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Standalone net assets	Amount	As % of Standalone profit and loss	Amount	As % of Standalone other comprehensive income	Amount	As % of Standalone total comprehensive income	Amount
<b>Parent</b>								
Imagine Marketing Limited	100.14%	4,648.35	100.00%	865.37	100.00%	(0.01)	100.00%	865.36
<b>Associate (Investment as per Equity Method)</b>								
<b>Indian</b>								
Sirena Labs Private Limited	-0.14%	(6.67)	-	-	-	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>4,641.68</b>	<b>100.00%</b>	<b>865.37</b>	<b>100.00%</b>	<b>(0.01)</b>	<b>100.00%</b>	<b>865.36</b>

## Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)

### Notes to the Consolidated Financial Statements for the year ended 31 March 2022 (All amounts are in Rs. million, unless otherwise stated)

#### 46 DISCLOSURES PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013

(i) Refer to note 6 for details of investment in subsidiary and associate companies.

(ii) The Holding Company has not given any loan or guarantee or provided any security as covered under Section 186 of the Companies Act, 2013. Accordingly, the disclosure requirements to that extent does not apply to the Holding Company.

#### 47 DISCLOSURE OF STRUCK OFF COMPANIES

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

48 The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

#### 49 SUBSEQUENT EVENTS

Subsequent to the year ended 31 March 2022, the Holding Company has incorporated one Joint venture:

Name of the entity	Date of incorporation	Principle business
Californix Tech And Manufacturing Private Limited	27 April 2022	Contract Manufacturer of Electrical Products

The Holding Company on 17 January 2022, has entered into a Joint Venture Agreement with equal shareholding (50%-50%) and with equal directors on board with Dixon Technologies (India) Limited (Dixon JV Agreement) for manufacturing Bluetooth enabled audio devices (except Bluetooth speakers and home audio) and other electronic products, as may be mutually agreed between the parties.

50 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency  
(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

51 Other than disclosed below, 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 Group 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 lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).

#### Investments made by HOB Ventures Private Limited, as intermediary, during the year:

The Holding Company has invested funds in HOB Ventures Private Limited by way of investment in equity shares and HOB in turn has utilised the said funds to make an investment in associate company, Kimirica Lifestyle Private Limited

Investee Company	Relationship with the Company	Nature of Investment	Date	Amount
Kimirica Lifestyle Private Limited	Associate Company	476 Equity shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up	23 February 2022	29.99
		4286, 0.01% Non Cumulative Compulsory Convertible Preference Shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up	23 February 2022	270.02

The Group has not received any fund from any party (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52 Information with regards to other matters in the Companies Act are either Nil or Not applicable to the Holding Company

As per our report of even date attached

For **B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of  
**Imagine Marketing Limited (Formerly known as Imagine Marketing Private Limited)**  
CIN: U52300MH2013PLC249758

**Amar Sunder**  
Partner  
Membership No: 078305

**Aman Gupta**  
Director  
DIN: 02249682

**Sameer Mehta**  
Director  
DIN: 02945481

**Vivek Gambhir**  
Director & CEO  
DIN: 06527810

**Ankur Sharma**  
Chief Financial Officer

**Mukesh Ranga**  
Holding Company Secretary

Mumbai, 18 November 2022

Mumbai, 18 November 2022

**FORM NO. AOC-1**

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

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

**Part "A": Subsidiaries**

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

<b>Name of the subsidiary:</b>	<b>Dive Marketing Private Limited*</b>	<b>Imagine Marketing Singapore Pte Limited@</b>	<b>HOB Ventures Private Limited#</b>	<b>KaHa Technologies Private Limited \$</b>	<b>Kaha Pte Ltd^</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Reporting period for the subsidiary concerned, if different from the holding company's reporting period</b>	3 <sup>rd</sup> June 2021 to 31 <sup>st</sup> March 2022	29 <sup>th</sup> November 2021 to 31 <sup>st</sup> March 2022	31 <sup>st</sup> December 2021 to 31 <sup>st</sup> March 2022	2 <sup>nd</sup> February 2022 to 31 <sup>st</sup> March 2022	11 <sup>th</sup> February 2022 to 31 <sup>st</sup> March 2022
<b>Share capital</b>	0.01	194.92	31.01	0.01	98.90
<b>Reserves &amp; surplus</b>	(5.74)	(2.0)	(5.19)	29.63	(824.66)
<b>Total assets</b>	3.33	197.00	30.51	42.81	368.75
<b>Total Liabilities</b>	3.89	-	0.2	13.08	263.72
<b>Turnover</b>	1.73	-	-	81.6	71.19
<b>Profit/ (Loss) before taxation</b>	(5.74)	(2)	(5.19)	6.70	(59.23)
<b>Provision for taxation</b>	-	-	-	2.96	0.01
<b>Profit after taxation</b>	(5.74)	(2)	(5.19)	3.74	(59.22)
<b>Proposed Dividend</b>	-	-	-	-	-
<b>% of shareholding</b>	100%	100%	100%	100%	100%

\* New subsidiary incorporated with effect from 3 June 2021.

@ Subsidiary incorporated with effect from 31 December 2021.

# Subsidiary incorporated with effect from 29 November 2021.

\$ Imagine India Limited acquired the entity on 2 February 2022.

^ Imagine Marketing Singapore Pte Limited acquired the entity on 10 February 2022. Kaha Technology (ShenZhen) Co. Limited, Subsidiary of Kaha Pte Ltd. is consolidated with Kaha Pte Ltd.

**II**

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

		<b>Name 1</b>	<b>Name 2</b>
<b>Sr. No.</b>	<b>Name of Associates/ Joint Ventures</b>	Sirena Labs Private Limited	Kimirica Lifestyles Private Limited
<b>1</b>	<b>Latest audited Balance Sheet Date</b>	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2022
<b>2</b>	<b>Date on which the Associate or Joint Venture was associated or acquired</b>	5 <sup>th</sup> November, 2019	23 <sup>rd</sup> February 2022 (through HOB Ventures Private Limited, wholly owned subsidiary)
<b>2</b>	<b>Shares of Associate/Joint Ventures held by the company on the year end</b>		
	Number of Shares	3703 Equity Shares face value of INR 10/- each	The Company through HOB Ventures Private Limited, wholly owned subsidiary, is holding:  (i) 476 Equity Shares face value of INR 10/- each; (ii) 4286 Compulsory Convertible Preference Shares (CCPS) face value of INR 10/-each
	Amount of Investment in Associates/Joint Venture (In INR Million)	50	300.01
	Extend of Holding %	21.19%	HOB Ventures Private Limited, wholly owned subsidiary of the Company is holding 33.33% shares / voting rights in the Company
<b>3</b>	<b>Description of how there is significant influence</b>	Direct Associate Company	Indirect Associate Company (through HOB Ventures Private Limited)
<b>4</b>	<b>Reason why the associate/joint venture is not consolidated</b>	The Company was unable to get the financial information	Consolidated
<b>5</b>	<b>Net worth attributable to Shareholding as per latest audited Balance Sheet</b>	-	85.09
<b>6</b>	<b>Profit / Loss for the year</b>		
	i. Considered in Consolidation	-	7.0
	ii. Not considered in Consolidation	-	-

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during theyear:  
NIL

**For and on behalf of the Board of Directors of  
Imagine Marketing Limited (CIN: U52300MH2013PLC249758)  
(Formerly known as Imagine Marketing Private Limited)**

**Date: 18/11/2022**

**Place: Mumbai**

Aman Gupta  
Whole-time Director  
(DIN: 02249682)

Sameer Mehta  
Whole Time Director  
(DIN: 02945481)

Vivek Gambhir  
Whole-time Director  
& CEO  
(DIN: 06527810)

Ankur Sharma  
Chief Financial Officer

Mukesh Ranga  
Company Secretary