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PEP TECHNOLOGIES PRIVATE LIMITED  
U74999GA2015PTC015526

NINTH ANNUAL REPORT- 2024



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- **Independent Auditors' Report to Shareholders on the audit of the Standalone financial statements, along with**
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  - Report on the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls under Section 143(3)(i) of the Companies Act, 2013
  
- **Consolidated Financial Statements for the year ended 31st March 2024, consisting of**
  - **Balance Sheet**
  - **Statement of Profit & Loss**
  - **Cash Flow Statement**
  - **Notes Forming Part of Financial Statements**
  - **Significant Accounting policies**

# CORPORATE INFORMATION



## REGISTERED OFFICE:

House No 1/302/16, 7th Floor Patto  
Area, Panaji, Panjim, Goa- 403001,  
India



TEL: +91-9357933933

E-MAIL: [woot@mcaffeine.com](mailto:woot@mcaffeine.com)

WEBSITE: [www.mcaffeine.com](http://www.mcaffeine.com)

[www.peptechologies.in](http://www.peptechologies.in)



## STATUTORY AUDITORS

M/s. Walker Chandiok & Co  
LLP Chartered Accountants

FRN: 001076N/N500013

11th Floor, Tower II, One International  
Centre SB Marg, Prabhadevi (W), Mumbai  
400013, Maharashtra, India





#### **BOARD OF DIRECTORS**

Mr. Abhishek Goenka (DIN: 06747730)

Mr. Harminder Sahni (DIN: 00576755)

Mr. Mukund Anil Khetan (DIN: 09527426)

Mr. Tarun Sharma (DIN: 07264165)

Mr. Vikas Lachhwani (DIN: 02898317)

**NOTICE OF NINTH ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the **Ninth Annual General Meeting** of the Members of **PEP TECHNOLOGIES PRIVATE LIMITED** will be held on **Monday, the 30th day of September 2024** at 5.00 PM IST through Video Conference [**REGISTERED OFFICE OF THE COMPANY BEING CONSIDERED AS THE DEEMED VENUE**] to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider, approve, and adopt the (Consolidated and Standalone) Audited Annual Accounts of the Company for the financial year ended 31st March 2024 consisting of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement along with Notes and such other documents appended to the Annual Accounts together with the Report of Directors and Auditors thereon.

For and on behalf of the Board of Directors of  
**PEP Technologies Private Limited**

Place: Mumbai  
Date: 28/09/2024

**Tarun Sharma**  
Director (DIN: 07264165)  
306, Liliun Building  
Nahar Amrut Sakthi, Chandivali  
Andheri East, Mumbai – 400072  
Maharashtra, India

**NOTES:**

- 1) This Notice has been issued in compliance with the provisions of the Ministry of Corporate Affairs (MCA) vide its General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 8, 2021, and General Circular No. 21/2021 dated December 14, 2021, General Circular No. 2/2022 dated May 5, 2022, and General Circular No. 10/2022 dated December 28, 2022, *Circular No. 09/2023 dated 25/09/2023, Circular No. 09/2024 dated 19/09/2024* (collectively "MCA Circulars") which have permitted companies to conduct AGM through Video Conferencing (VC) or other audio-visual means, subject to compliance of various conditions mentioned therein.
- 2) Though as per the Companies Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll on his behalf and a proxy need not be a member of the Company, by virtue of the above-mentioned MCA Circulars, the shareholders cannot appoint Proxy/ies. Therefore, the Proxy Form is not enclosed in this Notice of AGM.
- 3) Members may note that the meeting will be held through video conferencing. The video link for joining the meeting is:

<https://meet.zoho.in/b2299jfAHU>

Meeting Id: **1372237363**; Passcode: **yiAZmf**

The Meeting Room through weblink will be open at least 15 minutes prior to the scheduled time and the members are requested to join the meeting at their earliest convenience. The members may also note that they are not allowed to join the meeting later than 15 minutes after the commencement of the Meeting or after the completion of the Meeting, whichever is later.

- 4) In case of any assistance required for accessing the video conferencing before the meeting or during the meeting, the shareholders are requested to contact
  - Mr. Mohit Jain, Co-Founder, PEP Technologies Private Limited, Mobile Number: +91-8051110900
  - Mr. Vikas Bansal, Compliance Consultant, Mobile Number: +91 9717015553
- 5) Members may also note that the AGM notice has been displayed on the website of the Company.
- 6) Instructions for Participation through Electronic Means:
  - i. Members are requested to click on the web hyper-link.
  - ii. Click on download.
  - iii. Run the Zoho patch file when displayed.
  - iv. Within a minute you will get the screen asking you to join the meeting.
  - v. Click on join the meeting.
  - vi. Enter the Meeting ID and Password as provided in the e-mail of the meeting invite.
  - vii. You will be given an option to join the meeting either with your audio or video. Click on join with video.
  - viii. You will then be able to access/attend the meeting.
  - ix. Members may cast their vote by show of hands on the resolutions.
  - x. In case a poll under Section 109 of the Companies Act, 2013 is required to be taken during the meeting on any resolution, the members can convey their vote to the following e-mail ID: [vikas@legaldelight.com](mailto:vikas@legaldelight.com)
  - xi. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on a specified item, it will be treated as abstained.
  - xii. On a vote by show of hands, members holding different classes of shares shall be entitled to one vote for each class of share.

- 7) Consent for Shorter Notice from Shareholders has been solicited, as the Company is not able to give a Notice period of 10 (Ten) days for the Annual General Meeting in accordance with the Articles of Association of the Company. The forms for providing consent from Shareholders for Shorter Notice of AGM are enclosed hereto and the Shareholders are required to give either consent via return e-mail or email the same, duly signed by the shareholder/authorized signatory of the bodies corporate as per the specimen signature recorded with the Company or via return e-mail, before the commencement of the AGM.
- 8) The members/Corporate Nominees who participate in the meeting through the link shall be counted for determining the quorum as required under the Companies Act, 2013. A roll call will be taken at the start of the meeting to form an opinion as regards the attendance of the members
- 9) Members are requested to notify immediately of any change in their address or other particulars, including email addresses to the Company. In all correspondence with the Company, Members are requested to quote their Account/Folio Numbers.
- 10) The copy of the Annual Report, notice of the 9th Annual General Meeting along-with the supporting Annexures are being sent to the members through e-mail. Members are requested to update their preferred e-mail IDs with the Company, which will be used for the purpose of future communications. Members who wish to receive a printed copy of the Annual Report may send their request to the Company for the same at its registered office before the Annual General Meeting.
- 11) Explanatory Statement under Section 102 of the Companies Act, 2013 in respect of Special Business has been annexed to the Notice of this General Meeting, and forms part of this Notice.
- 12) All relevant documents referred to in the Notice of Annual General Meeting are available for inspection electronically on any working day during the hours 11.00 am to 1.00 pm.
- 13) The Register of Contracts or Arrangements in which Directors are Interested and Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 189 and 170 of the Companies Act, 2013, and such other Registers which should be kept open for inspection of members, are available for such inspection electronically at the Meeting.
- 14) Route map has not been provided as it is a Meeting to be held in Video Conference mode only.

For and on behalf of the Board of Directors of  
**PEP Technologies Private Limited**

Place: Mumbai  
Date: 28/09/2024

**Tarun Sharma**  
Director (DIN: 07264165)  
306, Liliun Building  
Nahar Amrut Sakthi, Chandivali  
Andheri East, Mumbai – 400072  
Maharashtra, India



**Consent by Shareholder for Shorter Length of Notice of General Meeting**  
[Pursuant to Section 101(1) of the Companies Act, 2013]

**NINTH ANNUAL GENERAL MEETING – SEPTEMBER 30, 2024**

To:

The Board of Directors

**M/s. PEP TECHNOLOGIES PRIVATE LIMITED**

Registered Office: House No 1/302/16, 7th Floor Patto Area, Panaji, Panjim Panaji North Goa, Goa- 403001

I/we, ....., S/o. ....., residing/having registered office at

.....

..... holding

- \_\_\_\_\_ Nos. Equity shares
- \_\_\_\_\_ Nos. Compulsorily Convertible Preference Shares
- \_\_\_\_\_ Nos. Series A Compulsorily Convertible Preference Shares
- \_\_\_\_\_ Nos. Series A1 Compulsorily Convertible Preference Shares
- \_\_\_\_\_ Nos. Series B Cumulative Compulsorily Convertible Preference Shares
- \_\_\_\_\_ Nos. Series B1 Cumulative Compulsorily Convertible Preference Shares
- \_\_\_\_\_ Nos. Series B2 Cumulative Compulsorily Convertible Preference Shares
- \_\_\_\_\_ Nos. Series C Cumulative Compulsorily Convertible Preference Shares
- \_\_\_\_\_ Nos. Series C1 Cumulative Compulsorily Convertible Preference Shares
- \_\_\_\_\_ Nos. Series C2 Cumulative Compulsorily Convertible Preference Shares
- \_\_\_\_\_ Nos. Series C3 Cumulative Compulsorily Convertible Preference Shares
- \_\_\_\_\_ Nos. Series C4 Cumulative Compulsorily Convertible Preference Shares

in the Company in my/our name, hereby give consent pursuant to Section 101(1) of the Companies Act, 2013, to hold the Ninth Annual General Meeting at shorter notice on Monday, the 30th day of September, 2024 at 5.00 PM through videoconference (Registered Office is the Deemed Venue) or such other date as the Directors may decide, or in any adjournment thereof.

Yours faithfully,

Date: ..... 2024



## PEP TECHNOLOGIES PRIVATE LIMITED

House No 1/302/16, 7<sup>th</sup> Floor, Patto Area, Panaji, Panjim,  
North Goa, Goa - 403001 | Mobile Number: 9357933933  
CIN No. - U74999GA2015PTC015526 | GST No. - 30AAICP2804J1ZP  
Email ID: [woot@mcaffeine.com](mailto:woot@mcaffeine.com) | Website: [www.mcaffeine.com](http://www.mcaffeine.com)  
Website: [www.peptechnologies.in](http://www.peptechnologies.in)

### DIRECTORS' REPORT

Dear Shareholders,

Upon completion of another successful year of the Company's operations, we hereby present the Ninth Annual Report along with the Audited Financial Statements for the financial year ended 31st March 2024.

#### FINANCIAL PERFORMANCE SUMMARY - STANDALONE:

Particulars	Year ended March 31, 2024 (INR – In Lakh)	Year ended March 31, 2023 (INR – In Lakh)
Revenue from Operations	19,301.31	20,525.76
Other Income	891.07	484.82
<b>Total Income</b>	<b>20,192.38</b>	<b>21,010.58</b>
<b>Total Expenses (Excluding Tax and Exceptional Items)</b>	<b>28,733.91</b>	<b>30,170.64</b>
Profit/ (Loss) before Exceptional Items and Tax	(8,541.53)	(9,160.06)
Exceptional Items – Income	-	--
<b>Profit Before Tax</b>	<b>(8,541.53)</b>	<b>(9,160.06)</b>
Less: Current Tax	--	--
Less: Deferred Tax	--	--
Less: Taxes of Earlier year	--	--
<b>Profit/(Loss) for the period</b>	<b>(8,541.53)</b>	<b>(9,160.06)</b>
<b>Earnings Per Share: Basic &amp; Diluted</b>	<b>(00.33)</b>	<b>(00.36)</b>

#### FINANCIAL PERFORMANCE SUMMARY – Consolidated:

Particulars	Year ended March 31, 2024 (INR – In Lakh)
Revenue from Operations	19,301.31
Other Income	463.94
<b>Total Income</b>	<b>19,765.25</b>

<b>Total Expenses (Excluding Tax and Exceptional Items)</b>	<b>29,029.65</b>
Profit/ (Loss) before Exceptional Items and Tax	(9,264.40)
Exceptional Items – Income	-
<b>Profit Before Tax</b>	<b>(9,264.40)</b>
Less: Current Tax	--
Less: Deferred Tax	--
Less: Taxes of Earlier year	--
<b>Profit/(Loss) for the period</b>	<b>(9,264.40)</b>
<b>Earnings Per Share: Basic &amp; Diluted</b>	<b>(35,589.70)</b>

### **THE STATE OF THE COMPANY'S AFFAIRS AND FUTURE OUTLOOK**

The Company is in the personal care category that makes premium products with caffeine that has magical properties in refreshing hair, skin, and body. The vision of the Management is to set global benchmarks for distinctive products, consumer experiences, and honest business practices. The management strives to build the strongest platform of quality products to ensure the highest level of customer satisfaction. The Company believes in 4E's (Efficacy, Ethos, Experience, and emotion) and is determined to provide world class products to its customers.

A crux of major highlights of financial performance (Standalone and Consolidated) during the reporting period under review based on financial statements is provided in the above table for the immediate attention of the shareholders.

The Company's revenue from operations during the reporting year was at Rs. 1,93,01.31 (In Lakh) as compared to the previous year figure of 205,25.76. As compared to the previous year, the Company has seen a slight dip in the revenue from operations, and the Company is striving to bounce back by considering the marketing condition and improving accordingly.

In line with the decrease in revenues, the expenses of the Company during the year 2023-24 decreased to Rs. 28,733.91 as compared to the previous year figure of Rs. 30,170.64.

Overall, the Company reported a loss of Rs. (8,541.53) as against the previous year loss of Rs. (9,160.06). The Company is putting all its efforts into increasing its client base and taking all the necessary steps to explore new opportunities to enhance its presence in profitable emerging markets and thereby maximizing the profits for the stakeholders.

### **TRANSFER OF AMOUNT TO GENERAL RESERVES**

As your Company does not have any profits, your directors are unable to propose transferring any amounts to the reserves.

### **CAPITAL AND DEBT STRUCTURE**

The Authorized Share Capital of your Company during the year under review remained the same as at the end of the previous year. As on March 31, 2024, the Authorized Share Capital of the Company was Rs. 28,20,000/- (Rupees Twenty-Eight Lakhs Twenty Thousand only) divided into 1,02,000 (One Lakh two Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each and 1,80,000 (One Lakh Eighty Thousand) Preference Shares of Rs. 10/- (Rupees Ten only) each.

The Issued, Subscribed and Paid-up Share Capital of the Company was increased during the reporting year, and as on March 31, 2024, it was Rs. 17,36,640/- (Rupees Seventeen Lakhs Thirty-Six Thousand Six Hundred and Forty) only divided into 26,617 (Twenty-Six Thousand Six Hundred and Seventeen) Equity Shares of Rs. 10/- (Rupees Ten only) each and 1,45,174 (One Lakh Forty Five Thousand and One Hundred Seventy-Four) Preference Shares of Rs. 10/- (Rupees Ten only) each.

The Share Capital structure of the Company as on March 31, 2024, and till date can be comprehended clearly from the table below:

Particular	Authorized Share Capital: Rs. 28,20,000/-		Issued, Subscribed and Paid-up Capital: Rs. 17,36,640/-	
	Equity (Rs.)	Preference (Rs.)	Equity (Rs.)	Preference (Rs.)
At the beginning of the year April 1, 2023	10,20,000	18,00,000	2,53,330	CCPS: 1,15,670
				Series A CCPS: 93,520
				Series A1 CCPS: 80,850
				Series B CCPS: 2,32,170
				Series B1 CCPS: 1,61,350
				Series B2 CCPS: 2,09,670
				Series C CCPS: 4,58,430
				Series C1 CCPS: 1,560
				Series C2 CCPS: 3,000
Increase during the Year 2023-24	--	--	12,840 (Conversion of SEED CCPS into Equity)	Series C3 CCPS: 94,320
				Series C4 CCPS: 14,040
Decrease during the year 2023-24	--	--	--	12,840 (Conversion of SEED CCPS into Equity)
At the end of the year March 31, 2024	10,20,000	18,00,000	2,66,170	14,51,740

The Company has not reclassified or sub-divided or consolidated any part of authorized share capital and has not even reduced any part of its paid-up capital by way of a capital reduction process or buy-back of shares.

#### **ISSUE AND ALLOTMENT OF EQUITY SHARES & OTHER CONVERTIBLE SECURITIES**

During the Financial Year 2023-24 and up to date, your Company had not make any issue or allotment of Equity Shares. However, issuance and allotment of the following convertible Preference Shares took place and conversion of convertible Preference Shares into Equity Shares, details of which are given below:

Particulars	Details of Issue				
		21-04-2023	09-09-2023	14-09-2023	28-09-2023
a. Date of Allotment		21-04-2023	09-09-2023	14-09-2023	28-09-2023
b. Method of Allotment		Private Placement	Private Placement	Conversion of SEED CCPS into Equity	Private Placement
c. Issue Price		Rs.32,030/-	Rs.32,030/-	-	Rs.32,030/-
d. Conversion Price		-	-	Rs. 10/- (1:1)	-
e. Number of shares allotted or to be allotted in case the right to options is exercised by all the holders of such securities		9,432 Nos. Series C3 CCPS convertible into Equity Shares as set out in the Terms of Issue	1,404 Nos. Series C4 CCPS convertible into Equity Shares as set out in the Terms of Issue	1,284 Nos. Equity Shares	1,873 Nos. Series C5 CCPS convertible into Equity Shares as set out in the Terms of Issue
f. No. of shares or securities allotted to the promoter group (incl. shares represented by depository receipts)		None	None	None	None
g. In case, shares or securities are issued for consideration other than cash, a confirmation that price was determined on the basis of a valuation report of a registered valuer		Not Applicable	Not Applicable	Not Applicable	Not Applicable

#### **ISSUE OF SHARES UNDER EMPLOYEE STOCK OPTION SCHEMES**

In respect of the ESOP scheme administered by the Company, the below details have been provided in pursuance of the provisions of Rule 12 of the Companies (Share Capital & Debentures Rules, 2014):

Particulars	For the FY 2022-23	For the FY 2023-24
	(a) options granted	Options granted during FY 2022-23: 250
Total Options granted as on March 31, 2023: 2,629		Total Options granted as on March 31, 2024: 3,210
(b) options vested	Options vested during FY 2022-23: 1,871	Options vested during FY 2023-24: 136
	Total Options Vested as on March 31, 2023: 2,379	Total Options Vested as on March 31, 2024: 2,515
(c) options exercised	Nil	Nil

(d) the total number of shares arising as a result of exercise of option	Nil		Nil
(e) options lapsed	Nil		Nil
(f) the exercise price	2,479 Options: Rs. 10/-	150 options: Rs. 47,955/-	Rs. 10/-
(g) variation of terms of options	Nil		Nil
(h) money realized by exercise of options	Nil		Nil
(i) total number of options in force	2,629		3,120
(j) employee wise details of options granted to:			
(i) key managerial personnel *	NA		NA
(ii) identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the company at the time of grant	None		None

\* The provisions governing the appointment of key managerial personnel specified in Section 203 of the said Act are not applicable to the Company

#### **ISSUE OF DEBENTURES, BONDS OR ANY NON-CONVERTIBLE SECURITIES**

As at the end of the reporting year, the Company does not have any outstanding Debentures, Bonds or Non-convertible Securities and the same position continues as on date of this report.

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

During the year under review, there has been no instance of transferring/due to be transferring unpaid/unclaimed dividend to the Investor Education and Protection Fund (IEPF) within the meaning of the provisions of Section 125 of the Companies Act, 2013 and the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016.

No unpaid/unclaimed dividend is lying in the unpaid dividend account in respect of the last seven years. There has been no instance of dividend unclaimed for seven consecutive years or more. No shares of the Company were therefore required to be transferred to the IEPF during the year under review and till the date of signing of this report.

#### **DETAILS OF BOARD OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED**

As on the closure of financial year ended March 31, 2024, and at the time of signing of this report, the Board consists of:

Sl. No.	Name of the Director	Designation	DIN	Date of Appointment
1	Tarun Sharma	Director	07264165	14/09/2015
2	Vikas Lachhwani	Director	02898317	11/02/2016
3	Harminder Sahni	Director	00576755	29/09/2018
4	Abhishek Goenka	Director	06747730	30/09/2019
5	Mukund Anil Khetan	Director	09527426	30/03/2022

There have been no changes in the composition of the Board of Directors of your Company during the financial year under review and till the date of this Board Report.

Further, your Company has no information to provide to the shareholders under Section 168(1) of the Companies Act, 2013 about the resignation of Directors. No Directors are liable to retire by rotation.

The provisions governing the appointment of key managerial personnel specified in Section 203 of the Companies Act, 2013, and independent Directors as specified in Section 149(6) are not applicable to the Company.

Moreover, being a private limited company by its articles, the provisions of Section 197 of the Companies Act, 2013 dealing with overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits are not applicable to your Company, and hence, disclosures specified in Schedule V of the Companies Act, 2013 are not applicable.

During the reporting year under review, the Company paid remuneration to promoter Directors as disclosed in the financial statements of the Company.

#### **MEETINGS OF THE BOARD OF DIRECTORS**

As per the requirement of Section 173(1) of the Companies Act, 2013, the minimum number of four Board Meetings were held in the year. In case of any exigency/emergency/urgency, a few resolutions were passed by way of circulation which have been duly noted in the immediately succeeding Board Meetings.

During the year under review, the Board of Directors met Eight (8) times on 06-04-2023, 11-04-2023, 02-08-2023, 25-08-2023, 14-09-2023, 27-11-2023, 21-12-2023, and 26-03-2024.

#### **ATTENDANCE OF THE DIRECTORS IN THE BOARD MEETINGS**

<b>Date of Board Meeting</b>	<b>Tarun Sharma</b>	<b>Vikas Lachhwani</b>	<b>Abhishek Goenka</b>	<b>Harminder Sahni</b>	<b>Mukund Anil Khetan</b>
06-04-2023	Present	Present	Absent	Present	Present
11-04-2023	Present	Present	Absent	Present	Present
02-08-2023	Present	Present	Absent	Present	Present
25-08-2023	Present	Present	Absent	Absent	Present
14-09-2023	Present	Present	Absent	Present	Present
27-11-2023	Absent	Present	Absent	Present	Present
21-12-2023	Absent	Present	Absent	Present	Present
26-03-2024	Absent	Present	Present	Present	Present

#### **BOARD COMMITTEES**

Your Company was not required to constitute an Audit Committee as per the provisions of Section 177 of the Companies Act, 2013 and therefore, details to be specified in the Board's Report under Sub-Section (8) thereof about disclosure of the composition of Audit Committee and instances of disapproval of recommendations of the Audit Committee by the Board and reasons for such disapproval are not applicable to the Company.

Moreover, your Company had not constituted any other Committees of the Board, namely, Remuneration/ Compensation Committee, Investor Grievances Protection Committee, Corporate Social Responsibility, etc., as circumstances to constitute never arose in the Company during the reporting year under review and up to date.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

In pursuance of Section 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

- I. In the preparation of the annual accounts, the applicable Accounting Standards were followed along with proper explanation relating to material departures;
- II. The directors 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;
- III. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- IV. The directors had prepared the annual accounts on a going concern basis; and
- V. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

The Company has in place adequate and effective systems of internal control to commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization, and ensuring compliance with corporate policies. Further, these internal control systems help the management to detect errors and mistakes while recording the transactions and to detect frauds etc. The Internal Control Systems adopted in the Company ensure that Company's assets are protected properly and safeguarded against possible misuse or loss.

During the reporting period, it was noted that all assets are safeguarded and protected against any loss from unauthorized use or disposition, and the transactions were authorized, recorded, and reported correctly, financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets.

Your directors exercised effective control of all business tasks and responsibilities to derive optimum benefit to the Company and its stakeholders. Your directors assure that they will continue to exercise this control in the future as well, and towards this, has already onboarded dedicated employees.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT**

During the year 2023-24, your Company has not granted any loans specified under Section 186 of the Companies Act 2013 during the year 2023-24 and upto the date of signing this report. Further, your Company had neither given any guarantee/security during the period under review and up to the date of signing this report, and hence the said provision is not applicable.

During the financial year 2022-23, your Company entered into an agreement for investment in M/s. Kreative Beauty Private Limited but the actual partial investment took place in FY 2023-24 and acquired a majority stake of 51% of that Company on a fully diluted basis and thus the said Company has become a subsidiary of the Company during FY 23-24, accordingly, the financials and other statutory information of this Subsidiary information are provided in AOC-1 under Annexure II. The subsidiary Company is engaged in the business of providing marketing and consulting support for the development and expansion of on-demand services, such as skin care products, via mobile applications, online transaction tools, and web-based requests.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year 2023-24, the Company paid remuneration to Mrs. Vaishali Gupta, Head – Marketing, relative of the Director of the Company who had been associated with the Company since 01-10-2015 and became relative of a Director with effect from 19/01/2020 and hence covered under related party transactions as per Section 188 of the Companies Act, 2013 and rules framed thereunder.

The said remuneration was paid to her as per the employment policy of the Company which is in the ordinary course of business and on an arms-length basis and has been undertaken after obtaining appropriate approvals of the Board and Investors.

Moreover, as required by the Companies Act, 2013 and Rules framed thereunder, form AOC-2 has been attached hereto as ANNEXURE-1, giving full details of the transaction and the said annexure forms an integral part of this Board's Report.

The Company intends to buy from/sell to and render services to/from M/s. Kreative Beauty Private Limited which are in the ordinary course of business of the Company on arm's length basis in which 3 Directors of the Company are interested and therefore, a proposal for setting up a cap of upto Rs. 100 Crores for all these transactions during the year 2024-25 has been placed and approval has been taken at the extraordinary general meeting held on 25-04-2024.



## **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Act and other applicable provisions of the Companies Act, 2013, the annual return in the prescribed format (filled up to the extent information is available in hand as on the date of adoption of this Board's Report) has been uploaded on the Company's website, as required by the statutory provisions, which is available at <https://peptechnologies.in/36-2/>

## **PUBLIC DEPOSITS**

The Company has not accepted any fixed deposit from the public within the meaning of Sections 2(31) and 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposit) Rules, 2014 made thereunder during the reporting year under review and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet and on the date of this Report. Likewise, there were no amounts of deposits that remained unpaid or unclaimed as at the end of the year, and the question of committing default in repayment of deposits or payment of interest thereon or the non-compliance of Chapter V of the Companies Act, 2013 during the year, did not arise.

Moreover, there were no deposits that were not in compliance with the requirements of Chapter V of the Companies Act, 2013.

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

The particulars as prescribed under sub-section (3)(m) Section 134 of the Companies Act, 2013, read with the Companies (the Companies (Accounts) Rules, 2014) Rules, 2014 as amended up-to-date, are set out hereunder:

### **1. CONSERVATION OF ENERGY:**

- **The steps taken or impact on Conservation of Energy-**

Conservation of energy is everyone's duty, and your Company is determined to conserve energy for the preservation of natural resources and for sustainable growth. The Company is continuously striving towards improving the energy performance wherever it can in all possible ways so that the benefits derived from it would be available to the Company at the micro level, and to the country at the macro level. The employees are also made aware of the advantages of conserving power and to implement it by using natural lighting and ventilation wherever possible.

- **The steps taken by the company for utilizing alternate sources of energy-**

Your Company's computer terminals, air-conditioning systems, lighting, and utilities are modern technology enabled so that optimum use of energy and power can be made. Your Company being not a major power consumer, the expenditure made on this account constitutes a small percentage on the total cost and hence, does not impact much.

- **The capital investment in energy conservation equipment-**

No capital investments in energy conservation equipment's per se have been made by the Company which maybe disclosed under this head.

### **2. RESEARCH AND DEVELOPMENT (R&D), TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION**

- **Efforts made towards technology absorption**

Your Company is working towards the goal of being identified globally as a digital brand for its skin care products. Therefore, Your Company is committed towards technology-driven innovation and lays strong emphasis on inculcating an innovation-driven culture within the organization.

- **Benefits derived**

The Company had not made efforts towards technology absorption, and accordingly, achieving any benefits like product improvement, cost reduction, product development or import substitution did not arise quantifiably.

- **Import of Technology**

The Company had not imported any technology during the last three years reckoned from the beginning of the financial year and therefore has no information to furnish under this head.

- **Expenditure incurred on Research and Development**

Research and Development in this field is essential to sustain in this competitive world to cater to the new demands/requirements of the customers. Although your Company did not incur any remarkable expenditure under the head during this Financial Year, the Company is determined to invent new products to sustain in this competitive market and find out newer ways of attracting customers and launching new initiatives to capture market dominance.

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earnings and outgo	FY 2023-24 (INR – In Lakh)	FY 2022-23 (INR – In Lakh)
Foreign exchange earnings	172.48	91.67
Expenditure in foreign currency		
Advertising and sales promotion expenses	0.91	77.00
Web hosting and server support expenses	80.37	25.71
Professional fees	24.47	12.22
Travelling and conveyance	6.10	-

### RISK MANAGEMENT

Risk is an inherent aspect of business, especially in a dynamic economic scenario. The Company has adopted a procedure for risk management and its minimization, which identifies all perceived risks and undertakes timely mitigation. Risks are assessed department-wise such as financial risks, legal risks, accounting frauds, marketing risks, product viability etc. The Management of the Company also ensures that the Company is taking appropriate measures to achieve a prudent balance between risk and reward in business activities. The Company's risk management philosophy is to integrate the process for managing risk across the organization and throughout its business and life-cycle to enable the protection of stakeholder value and ensure an institution in perpetuity.

### STATUTORY AUDITORS

M/s. Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No 001076N/N500013) issued by the Institute of Chartered Accountants of India were appointed as Statutory Auditors of the Company by the Shareholders in the Fifth Annual General Meeting held on December 30, 2020 for a tenure of 5 years (2020-21 to 2024-25) from the conclusion of the Fifth Annual General Meeting till the conclusion of the Tenth Annual General Meeting to be held in the year 2025. As the Statutory Auditors are continuing to occupy the said position, there is no change in the position of statutory auditors, and therefore, no agenda has been placed before the shareholders for their approval.

### AUDITOR'S OBSERVATIONS AND REPLY BY THE BOARD

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013 during the reporting year under review.

### SECRETARIAL STANDARDS

The Secretarial Standards on Meetings of the Board of Directors (SS-1) and the Secretarial Standards on General Meetings (SS-2) (together referred to as the Secretarial Standards), notified by the Institute of Company Secretaries of India and approved by the Central Government, are applicable to your Company. Your Directors wish to state that the Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and those systems are adequate and operating effectively.

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. Your Company has adopted a policy on prevention, prohibition, and redressal of sexual harassment at a workplace which advocates zero tolerance towards sexual harassment at the workplace.

To resolve the complaints related to sexual harassment and to create an environment & work culture free from prejudice, gender bias, and harassment, the Company has constituted an Internal Committee in due compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

To ensure that any incidence of sexual harassment is dealt with appropriately, sensitively, and expeditiously, the members of the Committee have a procedure laid down to carry out proper investigations before taking decisions. The Committee also works extensively on ensuring that training / awareness programs are conducted throughout the year, to create sensitivity towards ensuring a respectable workplace.

During the financial year 2023-24, no case or complaint of sexual harassment has been filed with the Company. Also, no such complaints were pending for disposal from the previous years, and thus the nil status of cases of sexual harassment continues until the date of this Report.

### **QUALITY MANAGEMENT**

Quality management is the act of overseeing all activities and tasks needed to maintain a desired level of excellence. Quality is a crucial parameter that differentiates an organization from its competitors. The Company has developed strong Quality Management ever since its formation that forms part of the organization's core competence assertiveness. Your Company is aware of the importance of absolute quality in rendering products to customers to win their acclamations, loyalty, and ultimately leading to Positive Branding. "Client Satisfaction" is the leading factor in reaching the long-term goals of the Company. To achieve this end, your Company would continue to follow the philosophy of providing the highest quality of products to its clients. In addition, all levels of your organization are dedicated to the process of meeting clients' requirements and work continually to improve the effectiveness of quality control by monitoring, analyzing, and reviewing performance from time to time.

### **CODE OF BUSINESS CONDUCT, CORPORATE GOVERNANCE AND ETHICS**

Your Company considers in adopting best practices of corporate governance to ensure corporate success and economic growth and has also implemented several best practices as prevalent globally. Corporate governance principles are enshrined in the spirit of the Company. The corporate governance structure plays a pivotal role in realizing the long-term goal of a company. The entire corporate governance structure is actively supervised by the Board of Directors, who oversee management activities and ensure their effectiveness in delivering value. It provides the fundamental systems, processes, and principles that promote objective decision-making, performance-based management, and a corporate culture that is characterized by integrity and fairness in all dealings.

Your Company is committed to good Corporate Governance to ensure that all functions of your Company are discharged in a professionally sound, accountable, and competent manner. Your Company strongly believes that Corporate Governance protects the interests of all the stakeholders by inculcating transparent business operations and accountability from management.

### **HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT**

Employees are your Company's most valuable asset and your Company's processes are designed to empower employees and support creative approaches to create enduring value. Moreover, for the growth of an organization, human resources are an important resource as the Company can achieve effective targets through these resources. Your Company does consider human resources as the major assets and provide all the required facilities to them. Your Company maintained harmonious employee relations during the year 2023-24.

The human resource philosophy and strategy of your Company have been designed to attract and retain the best talent, creating a workplace environment that keeps employees engaged, motivated and encourages innovation. Your Company does consider the human resources as the major assets and provide all the required facilities. The focus has been on evolving and implementing best practices and employee-friendly policies with strict adherence to compliance and governance. Constant endeavor is to educate the employees to enhance their knowledge and train them adequately for the development of their individual talents, skills, and overall experience, thus ensuring that the best is always working towards the growth of our organization. Our compensation philosophy is closely aligned with the organizational objectives and commitments, and rewards high performers, and at the same time motivates the rest to achieve more.

### **MATERIAL ADVERSE EVENTS**

As on the date of this Report, your Directors are not aware of any circumstance not otherwise dealt with in this Report or in financial statements, which would render any amount stated in the Accounts of the Company misleading.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT**

The Company has not entered into any commitments during the period commencing from the closure of the financial year 2023-24 and the date of this Report that affected the financial position of the Company. The Directors have ensured that the Company will continue to monitor any material changes, if any, and any significant impact of these changes would be recognized in the financial results as and when these material changes to economic conditions arise.

**SHIFT OF REGISTERED OFFICE**

For administrative convenience and to achieve economic efficiency in its operations, the Company obtained the approval of Shareholders at their Extraordinary General Meeting held on 25-04-2024 to shift the registered office of the Company from the state of Goa and Maharashtra, for which the Company has initiated the process and the same is pending as on date of this Report.

**NAMES OF THE COMPANIES THAT HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

During the year 2022-23, the Company saw an opportunity to build multiple brand strategies in the skin-care sector and for manufacturing and marketing the Company's skin-care products, towards which your Company executed a Memorandum of Understanding (MOU) and thereafter a Share Subscription and Shareholders' Agreement with Kreative Beauty Private Limited (KBPL) for investing in its securities and on May 23, 2023, the Company was allotted the shares and thereby obtained a majority stake of 51% of KBPL on fully diluted basis and thus the KBPL has become a subsidiary of the Company during 2023-24. Accordingly, the financials and other statutory information of this Subsidiary information as provided in AOC-1 under Annexure II. The Company reserves control over its subsidiary's operations through 3:2 structure of the composition of Board, whereby 3 Directors on the Board of KBPL have been nominated by the Company. The subsidiary Company has established its brand and is in the process of establishing stability in its operations. Further, no Company has ceased to be a Subsidiary, Joint Venture or Associate Company during the period under review and up to the date of signing of this report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE**

During the financial year under review, no orders have been passed by any of the regulators/courts/tribunals impacting the going concern status and the Company's operations in the future. Hence disclosure under Rule 8(5)(vii) of Companies (Accounts) Rules, 2014 is not applicable.

**KEY INITIATIVES WITH RESPECT TO STAKEHOLDER RELATIONSHIP, CUSTOMER RELATIONSHIP, ENVIRONMENT, SUSTAINABILITY, HEALTH AND SAFETY**

Your Company has achieved Zero Plastic Footprint as a step towards preserving the environment. The Company has also pledged to eliminate its plastic pollution by coming together with a Central Pollution Control Board (CPCB) Authorized Recycler to recycle plastic used. Further, the packaging of the products has been made plastic-free. As regards health and safety, the Company's products are FDA-approved, Made Safe & dermatologically tested.

**NUMBER OF COMPLAINTS RELATING TO CHILD LABOUR, FORCED LABOUR, INVOLUNTARY LABOUR**

No cases of child labor, forced labour, involuntary labour, and discriminatory employment were reported in the last financial year and are also up to date.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the activities/services of your Company during the reporting period under review. The Company has invested in the skin-care industry with the prospect of building a multiple brand.

### **APPOINTMENT OF INTERNAL AUDITOR**

During the period under the review, through the Board Meeting held on 26-03-2024, the Company had appointed M/s. Chirag A Mehta & Associates, Chartered Accountants, as Internal Audit as per Section 138 of Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, for the financial year 2024-25.

### **CLAUSES UNDER WHICH NO DISCLOSURE OR REPORTING IS AVAILABLE WITH THE COMPANY**

The Board of Directors of the Company state that no disclosure or reporting is available or applicable in respect of the following clauses during the reporting period under review and upto the signing of this Report:

- Recommendation of any Dividend for the financial year ended 31st March 2024 either from profits or from reserves;
- Declaration of any interim dividend;
- Issuance of shares for consideration other than cash;
- Issuance of bonus shares;
- Disclosure of details of shares issued with differential rights as per sub rule 4 of rule 4 of the Companies (Share Capital and Debentures) Rules, 2014 Section 43 of the Companies Act, 2013;
- Issue of Sweat Equity Shares as specified in Section 54 of the Companies Act, 2013 read with Rule 8 of the Companies (Share Capital & Debentures) Rules, 2014;
- The details of shares of the Company held in trust and disclosure of details pertaining to employees not exercising voting rights directly in respect of shares to which the scheme relates but are exercised by the Trust, as provided in Proviso to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;
- Issue of any warrants & thus, the parameters recommended to be disclosed as per Secretarial Standard-4;
- Obtaining credit rating of securities as no occasion arose for the same and renewal thereof;
- Share buy-back;
- Appointment of an Independent Director or a statement on the declaration by an Independent Director under Section 149(6) as required under Section 134(3)(d) of the Companies Act, 2013
- Statement regarding the opinion of the Board with regard to integrity, expertise, and experience (including the proficiency) of the independent directors appointed during the year under Rule 8 (5)(iii)(a) of the Companies (Accounts), Rules, 2014;
- Report on the performance and financial position of subsidiaries, joint ventures, or associate companies;
- Remuneration drawn by the Managing Director from holding or subsidiary companies;
- Section 177(9) of the Companies Act, 2013 relating to the establishment of vigil mechanism for directors and employees to report genuine concerns & details of the establishment of such mechanism as specified in Section 177(10) of the Companies Act, 2013;
- Fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013;
- Constitution of Nomination and Remuneration Committee under the provisions of Section 178(1) of the Companies Act, 2013 and policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of Companies Act, 2013 & disclosure of salient features of the policy and changes therein, if any, along with the web address where such policy has been displayed to be disclosed in this Directors' Report;
- Constitution of Corporate Social Responsibility Committee and spending towards Corporate Social Responsibility in terms of Section 135 of the Act
- Disclosure of statement indicating the manner in which the formal annual evaluation has been made by the Board of its own performance and that of its committees and individual Directors as mentioned under Section 134(3)(p) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014;
- Secretarial audit, as prescribed under Section 204 of the Companies Act, 2013;
- The provisions of Companies (Cost Records and Audit) Rules, 2014 towards the maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company;
- Change in activities/services of your Company;
- Failure to implement or complete any corporate action within the specified time limit like buyback of securities, payment of dividend declared, mergers and de-mergers, split and issue of any securities;
- During the year under review, there was no occasion of one-time settlement with the Banks, and hence, a difference between the amount of the valuation done at that time and the valuation done while taking loan from the banks or financial institutions did not arise, and accordingly, giving reasons therefor did not arise;

- The statement of particulars of employees as per Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- Revision of Financial statements or reports of earlier years as provided in Section 131(1) of the Companies Act, 2012;
- The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 Of 2016) during the year along with their status as at the end of the financial year.

#### **ACKNOWLEDGEMENT**

Your directors place on record their deep appreciation to employees at all levels for their hard work, dedication, and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain a committed organization striving towards its success. The Board places on record its appreciation for the support and cooperation your Company has been receiving from its suppliers, redistribution stockists, retailers, business partners, and others associated with the Company as its business partners. Your Company will endeavor to build and nurture strong links with the trade based on mutuality of benefits, respect for and cooperation with each other, consistent with consumer interests.

The Directors also take this opportunity to thank all the investors, Shareholders, customers, vendors, Banks, professionals associated with the Company, Government, and Regulatory Authorities for their continued support.

For and on behalf of the Board of Directors of  
**PEP Technologies Private Limited**

**Tarun Sharma**  
Director (DIN: 07264165)  
306, Liliun Building  
Nahar Amrut Sakthi, Chandivali  
Andheri East, Mumbai – 400072  
Maharashtra, India  
Place: Mumbai  
Date: 28-09-2024

**Vikas Lachhwani**  
Director (DIN: 02898317)  
Villa R-2, Chaitanya Samrpan  
Kannamangala Hoskote  
White Field Road, Bangalore - 560067  
Karnataka, India  
Place: Bangalore  
Date: 28-09-2024

## FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules 2014)

<b>Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under the third proviso thereto</b>		
<b>1</b>	Details of contracts or arrangements or transactions not at arm's length basis	
<b>(a)</b>	Name(s) of the related party and nature of the relationship	NA
<b>(b)</b>	Nature of contracts/arrangements/transactions	NA
<b>(c)</b>	Duration of the contracts/arrangements/transactions	NA
<b>(d)</b>	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
<b>(e)</b>	Justification for entering into such contracts or arrangements or transactions	NA
<b>(f)</b>	Date(s) of approval by the Board	NA
<b>(g)</b>	Amount paid as advances, if any:	NA
<b>(h)</b>	The date on which the special resolution was passed in the general meeting as required under first proviso to section 188	NA
<b>2</b>	Details of material contracts or arrangements or transactions at arm's length basis	
<b>(a)</b>	Name(s) of the related party & Nature of the relationship	<b>Related Party:</b> Mrs. Vaishali Gupta <b>Nature of Relationship:</b> Wife of Mr. Tarun Sharma, Director (Got appointed prior to becoming related)
<b>(b)</b>	Nature of contracts/arrangements/transactions	Employment Contract - Remuneration
<b>(c)</b>	Duration of the contracts/arrangements/transactions	Continuous
<b>(d)</b>	Salient terms of the contracts or arrangements or transactions including the value, if any:	On arm's length basis at market rates and terms; Rs. 58.84 / (In Lakh) -
<b>(e)</b>	Date(s) of approval by the Board, if any:	17-Feb-2020 as modified on 30-Jul-2022
<b>(f)</b>	Amount paid as advances, if any:	-
<b>(a)</b>	Name(s) of the related party & Nature of the relationship	<b>Related Party:</b> Kreative Beauty Private Limited <b>Nature of Relationship:</b> Mr. Tarun Sharma, Mr. Vikas Lachhwani And Mr. Mukund Anil Khetan – Directors of the Company and Subsidiary Company
<b>(b)</b>	Nature of contracts/arrangements/transactions	Purchase/sale of products and/or rendering/availing of services in the normal course of business and at arm's length basis;
<b>(c)</b>	Duration of the contracts / arrangements/transactions	Continuous up to March 31, 2024 and subject to further approvals thereafter;
<b>(d)</b>	Salient terms of the contracts or transactions including the value, if any:	Arrangements
<b>(e)</b>	Date(s) of approval by the Board, if any:	14-09-2023
<b>(f)</b>	Amount paid as advances, if any:	-

For and On behalf of the Board of Directors of  
**PEP Technologies Private Limited**

**Tarun Sharma**  
Director (DIN: 07264165)  
306, Liliun Building  
Nahar Amrut Sakthi, Chandivali  
Andheri East, Mumbai – 400072  
Maharashtra, India  
Place: Mumbai  
Date: 28-09-2024

**Vikas Lachhwani**  
Director (DIN: 02898317)  
Villa R-2, Chaitanya Samrpan  
Kannamangala Hoskote  
White Field Road, Bangalore - 560067  
Karnataka, India  
Place: Bangalore  
Date: 28-09-2024



## Annexure-II

## FORM NO. AOC-1

A statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

A statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) (Part A- Subsidiary)					
(a)	Name of Subsidiary	Kreative Beauty Private Limited			
(b)	The reporting period for the subsidiary concerned, if different from the holding company's reporting period	April-March, same as of Holding Company			
(c)	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA			
(d)	Share capital	<b>Name</b>	<b>FV</b>	<b>No. of Shares</b>	<b>Nature Equity/CCPS</b>
		Sanonymous Creations LLP	10	9000	EQ
		Collective Artists Network India Pvt. Ltd.	10	1000	EQ
		PEP Technologies Pvt. Ltd	10	1000	EQ
		PEP Technologies Pvt. Ltd	1000	50000	CCPS
		PEP Technologies Pvt. Ltd	1000 (Partly Paid up Rs. 250/	150000	CCPS
(e)	Reserves & surplus	(918.06) (In Lakh)			
(f)	Total assets	327.05 (In Lakh)			
(g)	Total Liabilities	327.05 (In Lakh)			
(h)	Investments	Investment by Holding Company is stated in point (d) above.			
(i)	Turnover	753.31 (In Lakh)			
(j)	Profit before taxation	(722.87) (In Lakh)			
(k)	Provision for taxation	NA			
(l)	Profit after taxation	NA			
(m)	Proposed Dividend	NA			
(n)	% of shareholding	51% (upon conversion on fully diluted-basis)			

For and On behalf of the Board of Directors of  
**PEP Technologies Private Limited**

**Tarun Sharma**  
Director (DIN: 07264165)  
306, Liliun Building  
Nahar Amrut Sakthi, Chandivali  
Andheri East, Mumbai – 400072  
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Villa R-2, Chaitanya Samrpan  
Kannamangala Hoskote  
White Field Road, Bangalore - 560067  
Karnataka, India  
Place: Bangalore  
Date: 28-09-2024

## Independent Auditor's Report

### To the Members of PEP Technologies Private Limited

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

#### Opinion

1. We have audited the accompanying standalone financial statements of **PEP Technologies Private Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2024**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.
2. 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 ('the Act') in the manner so required and give a true and fair view, in conformity with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its loss and its cash flows for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the 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.

#### Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's 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.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

5. The accompanying Standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. 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**

8. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
9. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the 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 management;

conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting 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 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; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.

#### **Report on Other Legal and Regulatory Requirements**

11. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
12. 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 I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, 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 purpose of our audit of the accompanying standalone financial statements;
  - 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 except for the matters stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - c) The standalone financial statements 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 Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

- f) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 13(b) above on reporting under section 143(3)(b) of the Act and paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2024;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024.;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024.;
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 36(j) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 36(k) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

- vi. As stated in Note 37 to the standalone financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on 01 April 2023, has used two accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for one accounting software used for maintenance of inventory, order management and invoicing records. However, for another accounting software the audit trail (edit log) feature could not sufficiently demonstrate whether the same was enabled and operated effectively throughout the year used for maintenance of all other accounting records. During the course of our audit we did not come across any instance of audit trail feature being tampered with where such feature is enabled.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Yashwant M. Jain**

Partner

Membership No.: 118782

**UDIN: 24118782BKHJNT4510**

**Place:** Mumbai

**Date:** 28 September 2024

**Annexure II referred to in paragraph 12 of the Independent Auditor's Report of even date to the members of PEP Technologies Private Limited on the standalone financial statements for the year ended 31 March 2024**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.
- (b) As disclosed in Note 46 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores, by banks on the basis of security of current assets during the year. Pursuant to the terms of the sanction letters the Company is not required to file any quarterly return or statement with such banks or financial institutions.
- (iii) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in to company during the year, in respect of which:
- (a) The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.
- (b) The Company has not provided any guarantee or given any security or granted any loans or advances in the



**PEP Technologies Private Limited**  
**Independent Auditor's Report on the Audit of the Standalone Financial Statements**

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nature of loans during the year. However, the Company has made investment in Kreative Beauty Private Limited (1) entity amounting to Rs. 875.10 Lakhs (year-end balance Rs. 875.10 lakhs) and in our opinion, and according to the information and explanations given to us, such investments made are, prima facie, not prejudicial to the interest of the Company.

- (c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, we report that there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has made private placement of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised have been utilised by the Company for the purposes for which these funds were raised.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, 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 Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements etc., as required under Accounting Standard (AS) 18, Related Party Disclosures specified in Companies (Accounting Standards) Rules, 2021 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the  
the  
Company  
the

**PEP Technologies Private Limited**  
**Independent Auditor's Report on the Audit of the Standalone Financial Statements**

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- Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC
- (xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to Rs. 8,497.39 lakhs and Rs. 9,125.57 lakhs respectively.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Yashwant M. Jain**  
Partner  
Membership No.: 118782  
**UDIN: 24118782BKHJNT4510**

**Place:** Mumbai  
**Date:** 28 September 2024

**PEP Technologies Private Limited**  
**Independent Auditor's Report on the Audit of the Standalone Financial Statements**

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**Annexure II to the Independent Auditor's Report of even date to the members of**  
**PEP Technologies Private Limited**  
**on the standalone financial statements for the year ended 31 March 2024**

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**Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of **PEP Technologies Private Limited** ('the Company') as at and for the year ended **31 March 2024**, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on 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. 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. 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 Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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.
4. 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 includes obtaining an understanding of such internal financial controls, 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 financial statements, whether due to fraud or error.
5. 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.

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

6. 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 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 financial statements in accordance with generally

**PEP Technologies Private Limited**  
**Independent Auditor's Report on the Audit of the Standalone Financial Statements**

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accepted accounting principles, and that receipts and expenditures of the company are being

made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

7. 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.

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, 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.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Yashwant M. Jain**  
Partner  
Membership No.: 118782  
UDIN: 24118782BKHJNT4510

**Place:** Mumbai  
**Date:** 28 September 2024

**PEP Technologies Private Limited**  
**Balance Sheet as at 31 March 2024**  
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	17.37	16.10
Reserves and surplus	4	3,232.30	7,492.47
		<b>3,249.67</b>	<b>7,508.57</b>
<b>Non-current liabilities</b>			
Long-term provisions	5	165.50	132.32
		<b>165.50</b>	<b>132.32</b>
<b>Current liabilities</b>			
Short term borrowings	6	1,539.82	2,490.43
Trade payables	7		
- total outstanding dues of micro and small enterprises		615.16	527.97
- total outstanding dues of creditors other than micro and small enterprises		4,280.82	2,888.89
Other current liabilities	8	815.01	647.00
Short-term provisions	9	1,542.17	131.63
		<b>8,792.98</b>	<b>6,685.92</b>
<b>TOTAL</b>		<b>12,208.15</b>	<b>14,326.81</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	130.79	136.45
Intangible assets	11	60.09	68.36
Non-current investments	12	875.10	-
Deferred tax assets (net)	13	-	-
Long term loans and advances	14	248.11	186.18
		<b>1,314.09</b>	<b>390.99</b>
<b>Current assets</b>			
Inventories	15	2,114.40	2,053.75
Trade receivables	16	2,824.89	2,436.67
Cash and bank balances	17	3,203.66	6,826.06
Short term loans and advances	18	2,504.99	1,838.93
Other current assets	19	246.12	780.41
		<b>10,894.06</b>	<b>13,935.82</b>
<b>TOTAL</b>		<b>12,208.15</b>	<b>14,326.81</b>

Significant accounting policies and other explanatory information

1 to 38

This is the Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of  
**PEP Technologies Private Limited**

**Yashwant M. Jain**

Partner

Membership No.: 118782

Place: Mumbai

Date: 28 September 2024

**Tarun Sharma**

Director

DIN: 07264165

Place: Mumbai

Date: 28 September 2024

**Vikas Lachhwani**

Director

DIN: 02898317

Place: Mumbai

Date: 28 September 2024

**PEP Technologies Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2024**  
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue</b>			
Revenue from operations	20	19,301.31	20,525.76
Other income	21	891.07	484.82
<b>Total income</b>		<b>20,192.38</b>	<b>21,010.58</b>
<b>Expenses</b>			
Purchase of traded goods and packing materials	22	6,727.93	8,134.16
Changes in inventories of traded goods and packing materials	23	(60.65)	(1,058.26)
Employee benefits expense	24	3,854.54	3,965.68
Finance costs	25	336.50	94.22
Depreciation and amortisation expense	26	44.14	34.49
Other expenses	27	17,831.45	19,000.35
<b>Total expenses</b>		<b>28,733.91</b>	<b>30,170.64</b>
<b>Loss before tax</b>		<b>(8,541.53)</b>	<b>(9,160.06)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax charge		-	-
		-	-
<b>Loss for the year</b>		<b>(8,541.53)</b>	<b>(9,160.06)</b>
<b>Earnings per equity share (Nominal value of shares is ₹ 10 each)</b>			
Basic and Diluted (in ₹ lakhs)	28	(0.33)	(0.36)
Face value per share (in ₹)		10.00	10.00
Significant accounting policies and other explanatory information	1 to 38		

This is the Statement of Profit and Loss referred to in our audit report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of  
**PEP Technologies Private Limited**

**Yashwant M. Jain**  
Partner  
Membership No.: 118782

**Tarun Sharma**  
Director  
DIN: 07264165

**Vikas Lachhwani**  
Director  
DIN: 02898317

Place: Mumbai  
Date: 28 September 2024

Place: Mumbai  
Date: 28 September 2024

Place: Mumbai  
Date: 28 September 2

**PEP Technologies Private Limited**  
**Cash Flow Statement for the year ended 31 March 2024**  
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Cash flow from operating activities</b>		
Loss before tax	(8,541.53)	(9,160.06)
<b>Adjustments for:</b>		
Depreciation and amortization expense	44.14	34.49
Interest on non convertible debentures	-	66.80
Interest on overdraft facility from bank	278.58	26.17
Interest on short term borrowings	48.51	-
Other receivables written off	32.38	13.95
Share based payment expenses	211.94	812.98
Provision for doubtful debts	62.34	-
Interest on income tax refund	(4.35)	(3.42)
Interest income on fixed deposits	(452.02)	(386.82)
<b>Operating loss before working capital changes</b>	<b>(8,320.01)</b>	<b>(8,595.91)</b>
<b>Adjustments for :</b>		
(Increase) in inventories	(60.65)	(1,058.26)
(Increase) in trade receivables	(450.56)	(989.80)
(Increase) in loans and advances and other assets	(391.64)	(810.90)
Increase in trade payables, provisions and other liabilities	3,072.66	389.48
<b>Cash used in operating activities</b>	<b>(6,150.20)</b>	<b>(11,065.39)</b>
Income taxes paid	(20.91)	(37.62)
<b>Net cash used in operating activities (A)</b>	<b>(6,171.11)</b>	<b>(11,103.01)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including intangibles)	(30.22)	(107.15)
Investment in subsidiary	(875.10)	
Investment in fixed deposits	5,458.01	(5,000.00)
Interest received	642.85	183.48
<b>Net cash used in investing activities (B)</b>	<b>5,195.54</b>	<b>(4,923.67)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares	4,070.69	130.14
Proceed from short term borrowings (net)	1,046.14	-
Repayment of non convertible debentures	-	(787.88)
Proceeds/(repayment) from overdraft facility (net)	(1,996.75)	2,490.43
Interest paid	(308.90)	(92.97)
<b>Net cash generated from financing activities (C)</b>	<b>2,811.18</b>	<b>1,739.72</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>1,835.61</b>	<b>(14,286.96)</b>
Cash and cash equivalents at the beginning of the year	826.06	15,113.02
<b>Cash and cash equivalents at the end of the year</b>	<b>2,661.67</b>	<b>826.06</b>
<b>Components of cash and cash equivalents (Refer note 17)</b>		
Cash in hand	0.01	-*
Balances with banks		
- Current accounts	2,661.66	826.06
	<b>2,661.67</b>	<b>826.06</b>

\*Amount is less than ₹ 1 lakh

Significant accounting policies and other explanatory information

1 to 38

This is the Cash Flow Statement referred to in our report of even date

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of  
**PEP Technologies Private Limited**

**Yashwant M. Jain**  
Partner  
Membership No.: 118782

**Tarun Sharma**  
Director  
DIN: 07264165

**Vikas Lachhwani**  
Director  
DIN: 02898317

Place : Mumbai  
Date: 28 September 2024

Place : Mumbai  
Date: 28 September 2024

Place : Mumbai  
Date: 28 September 2024



PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

3 Share capital

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	1,02,000	10.20	1,02,000	10.20
0.001% Compulsory convertible preference shares of ₹ 10 each	1,80,000	18.00	1,80,000	18.00
	<b>2,82,000</b>	<b>28.20</b>	<b>2,82,000</b>	<b>28.20</b>
<b>Issued, subscribed and fully paid up shares:</b>				
Equity Shares of ₹ 10 each	26,617	2.66	25,333	2.53
0.001% Compulsory convertible preference shares of ₹ 10 each	10,283	1.03	11,567	1.16
0.001% Series A Compulsory convertible preference shares of ₹ 10 each	9,352	0.94	9,352	0.94
0.001% Series A1 Compulsory convertible preference shares of ₹ 10 each	8,085	0.81	8,085	0.81
0.001% Series B Compulsory convertible preference shares of ₹ 10 each	23,217	2.32	23,217	2.32
0.001% Series B1 Compulsory convertible preference shares of ₹ 10 each	16,135	1.61	16,135	1.61
0.001% Series B2 Compulsory convertible preference shares of ₹ 10 each	20,967	2.10	20,967	2.10
0.001% Series C Compulsory convertible preference shares of ₹ 10 each	45,843	4.58	45,843	4.58
0.001% Series C1 Compulsory convertible preference shares of ₹ 10 each	156	0.02	156	0.02
0.001% Series C2 Compulsory convertible preference shares of ₹ 10 each	300	0.03	300	0.03
0.001% Series C3 Compulsory convertible preference shares of ₹ 10 each	9,432	0.94	-	-
0.001% Series C4 Compulsory convertible preference shares of ₹ 10 each	1,404	0.14	-	-
0.001% Series C5 Compulsory convertible preference shares of ₹ 10 each	1,873	0.19	-	-
	<b>1,73,664</b>	<b>17.37</b>	<b>1,60,955</b>	<b>16.10</b>
<b>a) Reconciliation of share capital</b>				
<b>(i) Equity Shares of ₹ 10 each</b>				
At the beginning of the year	25,333	2.53	25,333	2.53
Issued during the year	1,284	0.13	-	-
Balance at the end of the year	<b>26,617</b>	<b>2.66</b>	<b>25,333</b>	<b>2.53</b>
* During the year Seed CCPS 1,284 share have been converted to 1284 equity shares at 1:1 ratio.				
<b>(ii) Seed Compulsory convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	11,567	1.16	11,567	1.16
Issued during the year	-	-	-	-
Converted during the year	(1,284)	(0.13)	-	-
Balance at the end of the year	<b>10,283</b>	<b>1.03</b>	<b>11,567</b>	<b>1.16</b>
<b>(iii) Series A Compulsory convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	9,352	0.94	9,352	0.94
Issued during the year	-	-	-	-
Balance at the end of the year	<b>9,352</b>	<b>0.94</b>	<b>9,352</b>	<b>0.94</b>
<b>(iv) Series A1 Compulsory convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	8,085	0.81	8,085	0.81
Issued during the year	-	-	-	-
Balance at the end of the year	<b>8,085</b>	<b>0.81</b>	<b>8,085</b>	<b>0.81</b>
<b>(v) Series B Compulsory convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	23,217	2.32	23,217	2.32
Issued during the year	-	-	-	-
Balance at the end of the year	<b>23,217</b>	<b>2.32</b>	<b>23,217</b>	<b>2.32</b>
<b>(vi) Series B1 Compulsory convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	16,135	1.61	16,135	1.61
Issued during the year	-	-	-	-
Balance at the end of the year	<b>16,135</b>	<b>1.61</b>	<b>16,135</b>	<b>1.61</b>

PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount (In Lakhs)	Number of shares	Amount (In Lakhs)
<b>(vii) Series B2 Compulsory convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	20,967	2.10	20,967	2.10
Issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>20,967</b>	<b>2.10</b>	<b>20,967</b>	<b>2.10</b>
<b>(viii) Series C Compulsory convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	45,843	4.58	45,843	4.58
Issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>45,843</b>	<b>4.58</b>	<b>45,843</b>	<b>4.58</b>
<b>Series C1 Compulsory convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	156	0.02	-	-
Issued during the year	-	-	156	0.02
<b>Balance at the end of the year</b>	<b>156</b>	<b>0.02</b>	<b>156</b>	<b>0.02</b>
<b>Series C2 Compulsory convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	300	0.03	-	-
Issued during the year	-	-	300	0.03
<b>Balance at the end of the year</b>	<b>300</b>	<b>0.03</b>	<b>300</b>	<b>0.03</b>
<b>Series C3 Compulsory convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	-	-	-	-
Issued during the year	9,432	0.94	-	-
<b>Balance at the end of the year</b>	<b>9,432</b>	<b>0.94</b>	<b>-</b>	<b>-</b>
<b>Series C4 Compulsory convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	-	-	-	-
Issued during the year	1,404	0.14	-	-
<b>Balance at the end of the year</b>	<b>1,404</b>	<b>0.14</b>	<b>-</b>	<b>-</b>
<b>Series C5 Compulsory convertible preference shares of ₹ 10 each</b>				
At the beginning of the year	-	-	-	-
Issued during the year	1,873	0.19	-	-
<b>Balance at the end of the year</b>	<b>1,873</b>	<b>0.19</b>	<b>-</b>	<b>-</b>

b) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares of ₹ 10 each</b>				
Tarun Sharma	10,427	39.17%	10,427	41.16%
Vikas Lachhwani	10,426	39.17%	10,426	41.16%
	<b>20,853</b>	<b>78.34%</b>	<b>20,853</b>	<b>82.32%</b>
<b>Preference shares</b>				
<b>Seed Compulsory convertible preference shares of ₹ 10 each</b>				
Mohit Minerals Private Limited	-	-	986	8.52%
Navjot Singh Saini	679	6.60%	679	5.87%
Parthasarathi Bandyopadhyay	654	6.36%	654	5.65%
Purvi Rohit Pugalía	1,198	11.65%	602	5.20%
Sejal Kaushik	602	5.85%	602	5.20%
La Moda Clothing Exports Private Limited	602	5.85%	602	5.20%
Harminder Sahni	567	5.51%	-	-
Vinod Bamalwa	567	5.51%	-	-
Rohit Mohan Pugalía	-	-	596	5.15%
	<b>4,869</b>	<b>47.33%</b>	<b>4,721</b>	<b>40.79%</b>
<b>Series A Compulsory convertible preference shares of ₹ 10 each</b>				
RP-SG Ventures Investment Trust	4,999	53.45%	4,999	53.45%
Tejas Subramanian (Beneficial owner - Telama investment)	1,205	12.88%	1,205	12.88%
Milestone Trusteeship Services Private Limited acting as the trustee to LetsVenture Mcaffeine I	1,048	11.21%	1,048	11.21%
Kaushal Aggarwal	915	9.78%	915	9.78%
Apurva Salarpuria	602	6.44%	602	6.44%
	<b>8,769</b>	<b>93.76%</b>	<b>8,769</b>	<b>93.76%</b>

**PEP Technologies Private Limited**

**Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024**

**(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)**

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% holding	Number of shares	% holding
<b>Series A1 Compulsory convertible preference shares of ₹ 10 each</b>				
Milestone Trusteeship Services Private Limited Trustee of RP-SG-Venture Fund 1	3,614	44.70%	3,614	44.70%
Tejas Subramanian (Beneficial owner - Telama investment)	1,205	14.90%	1,205	14.90%
Sejal Kaushik	602	7.45%	602	7.45%
Milestone Trusteeship Services Private Limited acting as the trustee to LetsVenture Mcaffeine I	546	6.75%	546	6.75%
KL Rahul	723	8.94%	723	8.94%
	<b>6,690</b>	<b>82.74%</b>	<b>6,690</b>	<b>82.75%</b>
<b>Series B Compulsory convertible preference shares of ₹ 10 each</b>				
Milestone Trusteeship Services Private Limited Trustee of RP-SG-Venture Fund 1	1,653	7.12%	1,653	7.12%
Amicus Capital Private Equity I LLP	19,113	82.32%	19,113	82.32%
Amicus Capital Partners India Fund I	1,821	7.84%	1,821	7.84%
	<b>22,587</b>	<b>97.28%</b>	<b>22,587</b>	<b>97.29%</b>
<b>Series B1 Compulsory convertible preference shares of ₹ 10 each</b>				
Amicus Capital Private Equity I LLP (ACPE)	5,700	35.33%	5,700	35.33%
Rishabh Harsh Mariwala	5,254	32.56%	5,254	32.56%
Milestone Trusteeship Services Private Limited Trustee of RP-SG-Venture Fund1	2,102	13.03%	2,102	13.03%
Rajesh Khemlani	1,366	8.47%	1,366	8.47%
	<b>14,422</b>	<b>89.39%</b>	<b>14,422</b>	<b>89.38%</b>
<b>Series B2 Compulsory convertible preference shares of ₹ 10 each</b>				
Rishabh Harsh Mariwala	6,305	30.07%	6,305	30.07%
Grand Anicut Angel Fund	4,729	22.55%	4,729	22.55%
7Square	3,153	15.04%	3,153	15.04%
Ishita Marwah	2,102	10.03%	2,102	10.03%
Paula Mariwala	2,102	10.03%	2,102	10.03%
Saphire Corporate Consultants Pvt Ltd	1,051	5.01%	1,051	5.01%
Minda Advisory LLP	1,051	5.01%	1,051	5.01%
	<b>20,493</b>	<b>97.74%</b>	<b>20,493</b>	<b>97.74%</b>
<b>Series C Compulsory convertible preference shares of ₹ 10 each</b>				
Paragon Partners Growth Fund II	20,289	44.26%	20,289	44.26%
Singularity Growth Opportunities Fund I	10,776	23.51%	10,776	23.51%
Amicus Capital Private Equity I LLP (ACPE)	6,492	14.16%	6,492	14.16%
Quest properties India Limited	2,796	6.10%	2,796	6.10%
RPSG Capital Venture Opportunity Fund I, A scheme of RP-SG Ventures Investment Trust	2,616	5.71%	2,616	5.71%
	<b>42,969</b>	<b>93.74%</b>	<b>42,969</b>	<b>93.74%</b>
<b>Series C1 Compulsory convertible preference shares of ₹ 10 each</b>				
Necraj Madhok	156	100.00%	156	100.00%
	<b>156</b>	<b>100.00%</b>	<b>156</b>	<b>100.00%</b>
<b>Series C2 Compulsory convertible preference shares of ₹ 10 each</b>				
Vikas Lachhawani	150	50.00%	150	50.00%
Tarun Sharma	150	50.00%	150	50.00%
	<b>300</b>	<b>100.00%</b>	<b>300</b>	<b>100.00%</b>
<b>Series C3 Compulsory convertible preference shares of ₹ 10 each</b>				
Rishabh Harsh Mariwala	1,563	16.57%	-	-
Singularity Growth Opportunities Fund I, Scheme to Singularity Growth Opportunities Fund	1,563	16.57%	-	-
Paragon Partners Growth Fund II	4,683	49.65%	-	-
DSP HMK Holdings Private Limited	1,561	16.55%	-	-
	<b>9,370</b>	<b>99.34%</b>	<b>-</b>	<b>-</b>
<b>Series C4 Compulsory convertible preference shares of ₹ 10 each</b>				
Apurva Salarpuria	780	55.56%	-	-
Vinod Bamalwa	312	22.22%	-	-
Paula Mariwala	312	22.22%	-	-
	<b>1,404</b>	<b>100.00%</b>	<b>-</b>	<b>0.00%</b>

**PEP Technologies Private Limited**

**Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024**

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

**Series C5 Compulsory convertible preference shares of ₹ 10 each**

Viswadhham Commodities LLP	312	16.66%	-	-
Kodura Iswara Varaprasad Reddy	1,561	83.34%	-	-
	<b>1,873</b>	<b>100.00%</b>	<b>-</b>	<b>0.00%</b>

**(c) Details of Shares held by Promoters at the end of the year**

**As at March 2024**

Name of promoter	No. of shares at the beginning of the year	Changes	No. of shares at the end of the year	% of Total shares	% changes during the year
Tarun Sharma	10,427	-	10,427	39.17%	-
Vikas Lachhwani	10,426	-	10,426	39.17%	-
<b>Total</b>	<b>20,853</b>		<b>20,853</b>	<b>78.34%</b>	

**As at March 2023**

Name of promoter	No. of shares at the beginning of the year	Changes	No. of shares at the end of the year	% of Total shares	% changes during the year
Tarun Sharma	10,427	-	10,427	41.16%	-
Vikas Lachhwani	10,426	-	10,426	41.16%	-
<b>Total</b>	<b>20,853</b>		<b>20,853</b>	<b>82.32%</b>	

**c) Terms/rights of shares:**

**(i) Equity shares**

The Company has one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of paid up equity shares held by the shareholders.

**(ii) Preference shares**

The Company has different classes of compulsory convertible preference shares (CCPS) viz. (Seed CCPS, Series A CCPS, Series A1 CCPS, Series B CCPS, Series B1 CCPS, Series B2 CCPS, Series C CCPS, Series C1 CCPS, Series C2 CCPS, Series C3 CCPS, Series C4 CCPS, Series C5 CCPS) having a par value of ₹ 10 each.

The Preference shares holders shall be entitled to voting rights on a pro rata basis with the equity Shares of the Company on a fully diluted basis.

The holder of each preference share shall be entitled to fixed, non-cumulative preferential dividend at the rate of 0.001% per annum for all the preference shares till such time that the preference shares are outstanding. In addition, the preference share holders shall be entitled to participate in any dividend distribution to holders of equity shares on an as if converted basis.

**(iii) Conversion terms:**

**Seed Compulsory convertible preference shares**

Each Seed CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

The holder of each Seed CCPS has the option to convert all or part of its holdings into equity shares any time prior to expiry of the above mentioned period.

Each Seed CCPS shall be converted into 1 (one) equity shares of the Company.

**Series A Compulsory convertible preference shares**

Each Series A CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

The holder of each Series A CCPS has the option to convert all or part of its holdings into equity shares any time prior to expiry of the above mentioned period.

Each Series A CCPS shall be converted into 1 (one) equity shares of the Company.

**Series A1 Compulsory convertible preference shares**

Each Series A1 CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

The holder of each Series A1 CCPS has the option to convert all or part of its holdings into equity shares any time prior to expiry of the above mentioned period.

Each Series A1 CCPS shall be converted into equity shares determined at a conversion ratio calculated based on an initial conversion price as per the following:

- (i) In the event that the next Qualified Fundraise occurs within a period of 18 months from the date of allotment of the series A1 CCPS (the "Outer Date") the series A1 CCPS would be convert at the lower of:

(a) the price calculated on the basis of the pre-money valuation at which shares are issued in such next qualified fundraise less discount of 2.25% for each month between the date of issuance of the series A1 CCPS and the date of the next qualified fundraise; or

(b) the price calculated on the basis of the pre-money valuation at which shares are issued in such next qualified fundraise less a discount of 14%.

- (ii) In the event that the next qualified fundraise does not occur before the outer date, or if there is breach of the terms of issuance of the series A1 CCPS ( unless waived by the single largest holder of the series A1 CCPS ), the holder of the series A1 CCPS would be entitled to convert these instruments at a conversion price of INR 8,302.

## PEP Technologies Private Limited

### Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

#### Series B Compulsory convertible preference shares

Each Series B CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

The holder of each Series B CCPS has the option to convert all or part of its holdings into equity shares any time prior to expiry of the above mentioned period.

Each Series B CCPS shall have a conversion ratio of 3:1 i.e. every 3 Series B CCPS shall be converted into 1 (one) equity shares of the Company.

#### Series B1 Compulsory convertible preference shares

Each Series B1 CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

##### Conversion Ratio -

(i) In the event that the Next Qualified Fundraise occurs within a period of 18 (eighteen) months from the date of allotment of the Series B1 CCPS (the "Outer Date") or within the Extended Outer

Date (as defined below), the Series B1 CCPS would convert at the lower of:

(a) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 2.25% for each month between the date of issuance of the Series B1 CCPS and the date of the Next Qualified Fundraise; or

(b) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 14%.

hereinafter referred to as the ("Series B1 Conversion Price").

#### Series B2 Compulsory convertible preference shares

Each Series B2 CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

##### Conversion Ratio -

(i) In the event that the Next Qualified Fundraise occurs within a period of 18 (eighteen) months from the date of allotment of the Series B2 CCPS (the "Outer Date") or within the Extended Outer Date (as defined below), the Series B2 CCPS would convert at the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise, less a discount of 2.25% (two point twenty five percent) for each month between the date of issuance of the Series B2 CCPS and the date of the Next Qualified Fundraise; hereinafter referred to as the ("Series B2 Conversion Price").

#### Series C Compulsory convertible preference shares

Each Series C CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

The holder of each Series C CCPS has the option to convert all or part of its holdings into equity shares any time prior to expiry of the above mentioned period.

Each Series C CCPS shall have a conversion ratio of 3:1 i.e. every 3 Series C CCPS shall be converted into 1 (one) equity shares of the Company.

#### Series C1 Compulsory convertible preference shares

Each Series C1 CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

The holder of each Series C1 CCPS has the option to convert all or part of its holdings into equity shares any time prior to expiry of the above mentioned period.

Each Series C1 CCPS shall have a conversion ratio of 2.994:1 i.e. every 2.994 Series C CCPS shall be converted into 1 (one) equity shares of the Company.

#### Series C2 Compulsory convertible preference shares

Conversion terms:

The Series C2 CCPS shall compulsorily convert into Equity Shares of the Company upon the occurrence of any of the following events

- (a) Listing of the Equity Shares of the Company under an IPO ("Public Offering"); or
- (b) Expiry of 19 years and 11 months from the date of the issuance and allotment ("Investment Period");

##### Conversion ratio:

(i) The Series C2 CCPS shall compulsorily convert into Equity Shares subject to the following Qualifying criteria -

(a) The company raises a minimum of INR 5 crore by way of issue of shares on or before 31 March 2024.

(ii) Upon happening of qualifying criteria, each series C2 CCPS shall be convertible into common shares, with the number of common shares to be issued determined based on the following performance conditions:

(a) Scenario 1: Where the company is able to achieve annual GMV of INR 5,500 million in FY 2024 ending 31 March 2024 ("Threshold GMV"), then every 3 series C2 CCPS shall convert into 18.74 equity shares.

(b) Scenario 2: Where the company is not able to achieve the threshold GMV, then every 3 series C2 CCPS shall convert into 0.0001 common shares.

**PEP Technologies Private Limited**

**Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024**

**(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)**

**Series C3 Compulsory convertible preference shares**

Conversion terms:

The Series C3 CCPS shall compulsorily convert into Equity Shares of the Company upon the occurrence of any of the following events

- (a) Listing of the Equity Shares of the Company under an IPO (“Public Offering”); or
- (b) Expiry of 19 years and 11 months from the date of the issuance and allotment (“Investment Period”);

**Conversion Ratio -**

(i) In the event that the Next Qualified Fundraise occurs within a period of 18 (eighteen) months from the date of allotment of the Series C3 CCPS (the “Outer Date”) or within the Extended Outer

Date (as defined below), the Series C3 CCPS would convert at the lower of:

- (a) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 2.25% for each month between the date of issuance of the Series C3 CCPS and the date of the Next Qualified Fundraise; or
  - (b) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 14%.
- hereinafter referred to as the (“Series C3 Conversion Price”).

**Series C4 Compulsory convertible preference shares**

Conversion terms:

The Series C4 CCPS shall compulsorily convert into Equity Shares of the Company upon the occurrence of any of the following events

- (a) Listing of the Equity Shares of the Company under an IPO (“Public Offering”); or
- (b) Expiry of 19 years and 11 months from the date of the issuance and allotment (“Investment Period”);

**Conversion ratio:**

Conversion Ratio -

(i) In the event that the Next Qualified Fundraise occurs within a period of 18 (eighteen) months from the date of allotment of the Series C4 CCPS (the “Outer Date”) or within the Extended Outer

Date (as defined below), the Series C4 CCPS would convert at the lower of:

- (a) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 2.25% for each month between the date of issuance of the Series C4 CCPS and the date of the Next Qualified Fundraise; or
  - (b) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 14%.
- hereinafter referred to as the (“Series C4 Conversion Price”).

**Series C5 Compulsory convertible preference shares**

Conversion terms:

The Series C5 CCPS shall compulsorily convert into Equity Shares of the Company upon the occurrence of any of the following events

- (a) Listing of the Equity Shares of the Company under an IPO (“Public Offering”); or
- (b) Expiry of 19 years and 11 months from the date of the issuance and allotment (“Investment Period”);

**Conversion ratio:**

Conversion Ratio -

(i) In the event that the Next Qualified Fundraise occurs within a period of 18 (eighteen) months from the date of allotment of the Series C5 CCPS (the “Outer Date”) or within the Extended Outer

Date (as defined below), the Series C5 CCPS would convert at the lower of:

- (a) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 2.25% for each month between the date of issuance of the Series C5 CCPS and the date of the Next Qualified Fundraise; or
  - (b) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 14%.
- hereinafter referred to as the (“Series C5 Conversion Price”).

**d)** The Company has neither issued bonus shares or shares without payment in cash nor has there been any buy back of shares from the date of incorporation till 31 March 2024.

**e) Shares reserved for issue under options**

Refer note 32 for shares required to be issued under the employee stock option plan (ESOP) of the Company.

PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	As at 31 March 2024	As at 31 March 2023
<b>4 Reserves and surplus</b>		
<b>Securities premium</b>		
Balance at the beginning of the year	22,807.22	22,677.13
Add: Premium on issue of shares	4,069.42	130.09
<b>Balance at the end of the year</b>	<b>26,876.64</b>	<b>22,807.22</b>
<b>Deficit in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	(16,602.60)	(7,442.54)
Add : Loss for the year	(8,541.53)	(9,160.06)
<b>Balance at the end of the year</b>	<b>(25,144.13)</b>	<b>(16,602.60)</b>
<b>Share options outstanding account (Refer note 32)</b>		
Balance at the beginning of the year	1,287.85	474.87
Add: expenses for the year	211.94	812.98
<b>Balance at the end of year</b>	<b>1,499.79</b>	<b>1,287.85</b>
	<b>3,232.30</b>	<b>7,492.47</b>
<b>5 Long-term provisions</b>		
Provision for gratuity (Refer note 29b(i))	165.50	132.32
	<b>165.50</b>	<b>132.32</b>
<b>6 Short term borrowings</b>		
<b>Secured</b>		
Overdraft facility from banks*	493.68	2,490.43
From other parties**	1,046.14	-
	<b>1,539.82</b>	<b>2,490.43</b>

\*The overdraft facility is secured against pari passu charge on the Company's present and future current assets and rate of interest is MCLR- 6 months +1.50%.

\*\*Note: 15% Cash Margin of the utilized Program Limit to be maintained with the lender. Interest Rate is 12.25% which is deducted up front upon disbursement.

**PEP Technologies Private Limited**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	As at 31 March 2024	As at 31 March 2023
<b>7 Trade payables</b>		
- Total outstanding dues of micro and small enterprises	615.16	527.97
- Total outstanding dues of creditors other than micro and small enterprises	4,280.82	2,888.89
	<b>4,895.98</b>	<b>3,416.86</b>

**7.1 Note:**

The disclosure pursuant to Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as follows:

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year

- Principal amount	605.95	527.97
- Interest thereon, included in finance cost	9.21	-

The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier 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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-
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The amount of interest accrued and remaining unpaid at the end of each accounting year; and

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.	-	-
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Disclosure of payable to vendors as defined under the 'Micro, Small and Medium Enterprises Development Act, 2006' is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

**Trade payables ageing schedule**

**31 March 2024**

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	259.78	344.83	10.55	-	-	615.16
(ii) Others	3,155.18	1,099.52	26.12	-	-	4,280.82
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>3,414.96</b>	<b>1,444.35</b>	<b>36.67</b>	<b>-</b>	<b>-</b>	<b>4,895.98</b>

**31 March 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	527.97	-	-	-	527.97
(ii) Others	1,435.00	1,453.89	-	-	-	2,888.89
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1,435.00</b>	<b>1,981.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,416.86</b>



**PEP Technologies Private Limited**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	As at 31 March 2024	As at 31 March 2023
<b>8 Other current liabilities</b>		
Statutory dues	100.72	109.88
Advance from customers	37.28	74.47
Other payables	82.12	-
Payable to employees	576.71	462.65
Interest accrued but not due	18.18	-
	<b>815.01</b>	<b>647.00</b>
<b>9 Short-term provisions</b>		
Provision for gratuity (Refer note 29b(i))	2.93	2.34
Provision for sales return	1,474.52	92.53
Provision for leave encashment (Refer note 29b(ii))	64.72	36.76
	<b>1,542.17</b>	<b>131.63</b>

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PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

10 Property, plant and equipment

Gross block	Computers	Office equipments	Furniture and fixtures	Plant and machinery	Total
<b>Balance as at 1 April 2022</b>	<b>30.09</b>	<b>9.74</b>	<b>27.63</b>	<b>50.33</b>	<b>117.79</b>
Additions	10.33	7.25	8.01	34.73	60.32
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>40.42</b>	<b>16.99</b>	<b>35.64</b>	<b>85.06</b>	<b>178.11</b>
Additions	2.45	8.69	1.81	3.80	16.75
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>42.87</b>	<b>25.68</b>	<b>37.45</b>	<b>88.86</b>	<b>194.86</b>
<b>Accumulated depreciation</b>					
<b>Balance as at 1 April 2022</b>	<b>13.64</b>	<b>1.82</b>	<b>4.60</b>	<b>1.89</b>	<b>21.95</b>
Depreciation charge	9.21	2.43	3.65	4.42	19.71
Reversal on disposal of assets	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>22.85</b>	<b>4.25</b>	<b>8.25</b>	<b>6.31</b>	<b>41.66</b>
Depreciation charge	9.20	3.80	4.01	5.40	22.41
Reversal on disposal of assets	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>32.05</b>	<b>8.05</b>	<b>12.26</b>	<b>11.71</b>	<b>64.07</b>
<b>Net block</b>					
<b>Balance as at 31 March 2023</b>	<b>17.57</b>	<b>12.74</b>	<b>27.39</b>	<b>78.75</b>	<b>136.45</b>
<b>Balance as at 31 March 2024</b>	<b>10.82</b>	<b>17.63</b>	<b>25.19</b>	<b>77.15</b>	<b>130.79</b>

11 Intangible assets

Gross block	Mobile Application	Trademark	Software	Design Plan	Total
<b>Balance as at 1 April 2022</b>	<b>8.25</b>	<b>9.36</b>	<b>3.72</b>	<b>29.00</b>	<b>50.33</b>
Additions	-	38.10	5.53	3.20	46.83
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>8.25</b>	<b>47.46</b>	<b>9.25</b>	<b>32.20</b>	<b>97.16</b>
Additions	-	10.86	-	2.60	13.46
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>8.25</b>	<b>58.32</b>	<b>9.25</b>	<b>34.80</b>	<b>110.62</b>
<b>Accumulated amortisation</b>					
<b>Balance as at 1 April 2022</b>	<b>8.24</b>	<b>1.67</b>	<b>0.88</b>	<b>3.23</b>	<b>14.02</b>
Amortisation charge	-	6.26	2.75	5.77	14.78
Reversal on disposal of assets	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>8.24</b>	<b>7.93</b>	<b>3.63</b>	<b>9.00</b>	<b>28.80</b>
Amortisation charge	-	12.51	2.93	6.29	21.73
Reversal on disposal of assets	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>8.24</b>	<b>20.44</b>	<b>6.56</b>	<b>15.29</b>	<b>50.53</b>
<b>Net block</b>					
<b>Balance as at 31 March 2023</b>	<b>0.01</b>	<b>39.53</b>	<b>5.62</b>	<b>23.20</b>	<b>68.36</b>
<b>Balance as at 31 March 2024</b>	<b>0.01</b>	<b>37.88</b>	<b>2.69</b>	<b>19.51</b>	<b>60.09</b>

**PEP Technologies Private Limited**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	As at 31 March 2024	As at 31 March 2023
<b>12 Non-current Investments</b>		
<b>Investment in Equity shares (Unquoted)</b>		
Investment in Subsidiary (At Cost)		
Kreative Beauty Private Limited	875.10	-
	<b>875.10</b>	<b>-</b>
<b>13 Deferred tax assets (Net)</b>		
<b>Deferred tax liabilities</b>		
On depreciation and amortisation	5.68	6.84
<b>Deferred tax assets</b>		
Provision for gratuity	42.39	33.89
Provision for leave encashment	16.29	9.25
Share options outstanding account	377.50	324.15
Provision for bonus	73.33	50.17
Brought forward business losses/Unabsorbed depreciation	6,005.23	3,782.40
<b>Deferred tax assets (Net) *</b>	<b>-</b>	<b>-</b>
* The Company has not recognised deferred tax assets on timing differences towards unabsorbed depreciation, carry forward of tax losses, provision for gratuity etc. as at 31 March 2024 and 31 March 2023, on the basis of prudence, as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.		
<b>14 Long term loans and advances</b>		
<b>Unsecured, considered good</b>		
Advance tax	140.85	115.59
Security deposits	107.26	70.59
	<b>248.11</b>	<b>186.18</b>
<b>15 Inventories (Valued at lower of cost and net realisable value)</b>		
Packing materials	-	55.36
Finished goods (including goods-in-transit of ₹ 43.53 lakhs (31 March 2023: ₹ 95.58 lakhs))	2,114.40	1,998.39
	<b>2,114.40</b>	<b>2,053.75</b>
<b>16 Trade receivables</b>		
Secured, considered good		
Unsecured, considered good	2,824.89	2,436.67
Trade Receivables - credit impaired	62.34	-
Less: Loss allowance	(62.34)	-
	<b>2,824.89</b>	<b>2,436.67</b>

**31 March 2024**

Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	2,482.89	175.86	166.14	-	-	2,824.89
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	59.81	2.53	-	-	62.34
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,482.89</b>	<b>235.67</b>	<b>168.67</b>	<b>-</b>	<b>-</b>	<b>2,887.23</b>

**PEP Technologies Private Limited**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

**31 March 2023**

Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	2,213.25	201.43	21.99	-	-	2,436.67
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,213.25</b>	<b>201.43</b>	<b>21.99</b>	<b>-</b>	<b>-</b>	<b>2,436.67</b>

	As at 31 March 2024	As at 31 March 2023
<b>17 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash in hand*	0.01	0.00
Balances with banks		
-Current account	2,661.66	826.06
<b>Other bank balances</b>		
Balance with Other Party - Margin Money (Refer note 6)	241.99	-
Deposits with original maturity of more than 3 months but less than 12 months**	300.00	6,000.00
	<b>3,203.66</b>	<b>6,826.06</b>

\*Amount is less than ₹ 1 lakh

\*\*Deposit with bank as on 31 March 2024 is liened towards bank guarantee.

**18 Short term loans and advances**

Advance to suppliers	518.85	331.82
Balance with government authorities	1,840.22	1,422.92
Prepaid expenses	75.74	38.64
Advance to employees	26.87	32.73
Security deposits	43.31	12.82
	<b>2,504.99</b>	<b>1,838.93</b>

**19 Other current assets**

Interest accrued on fixed deposits with bank	14.68	205.51
Receivable towards support service	-	201.90
Receivables from agents	227.15	368.71
Others	4.29	4.29
	<b>246.12</b>	<b>780.41</b>

**PEP Technologies Private Limited**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>20 Revenue from operations</b>		
Sale of products	19,301.31	20,525.76
	<b>19,301.31</b>	<b>20,525.76</b>
<b>21 Other income</b>		
Interest on fixed deposit with banks	452.02	386.82
Fees towards support service	427.89	81.51
Interest on income-tax refund	4.35	3.42
Miscellaneous income	6.81	13.07
	<b>891.07</b>	<b>484.82</b>
<b>22 Purchase of traded goods and packing materials</b>		
Purchase of traded goods	6,727.93	6,343.27
Purchase of packing materials	-	1,790.89
	<b>6,727.93</b>	<b>8,134.16</b>
<b>23 Changes in inventories of traded goods and packing materials</b>		
<b>Opening balance</b>		
Traded goods	1,998.39	796.97
Packing materials	55.36	198.52
	2,053.75	995.49
<b>Closing balance</b>		
Traded goods	2,114.40	1,998.39
Packing materials	-	55.36
	2,114.40	2,053.75
	<b>(60.65)</b>	<b>(1,058.26)</b>
<b>24 Employee benefits expense</b>		
Salaries, wages and bonus	3,429.37	2,948.92
Contribution to provident and other funds (Refer note 29a)	83.76	77.57
Gratuity (Refer note 29b)	33.77	58.01
Share based payment expenses (Refer note 32)	211.94	812.98
Staff welfare expenses	95.70	68.20
	<b>3,854.54</b>	<b>3,965.68</b>
<b>25 Finance costs</b>		
Interest on delayed payment of statutory dues	0.20	1.25
Interest on delayed payment of MSME	9.21	-
Interest on non convertible debentures	-	66.80
Interest on short term borrowings	48.51	-
Interest on overdraft facility from banks	278.58	26.17
	<b>336.50</b>	<b>94.22</b>
<b>26 Depreciation and amortisation expense</b>		
Depreciation on Property, plant and equipment (Refer note 11)	22.41	19.71
Amortisation on intangible assets (Refer note 12)	21.73	14.78
	<b>44.14</b>	<b>34.49</b>

**PEP Technologies Private Limited**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	<b>Year ended 31 March 2024</b>	<b>Year ended 31 March 2023</b>
<b>27 Other expenses</b>		
Power and fuel	0.33	0.42
Rent (Refer note 31)	464.94	351.52
Repairs and maintenance - Others	1.69	1.97
Contract labour	1,085.32	1,076.23
Advertising and sales promotion expenses	10,607.55	12,040.04
Warehousing and product delivery charges	3,269.79	3,342.64
Commission charges	872.64	943.30
Web hosting and server support expenses	315.08	250.00
Product development cost	16.69	27.21
Insurance	42.38	37.61
Professional charges	511.73	481.06
Auditor's remuneration (Refer note 27.1)	17.00	15.33
Other receivables written off	32.38	13.95
Printing and stationery	10.07	10.11
Rates and taxes	44.40	21.04
Travelling and conveyance	464.13	371.11
Office expenses	7.15	13.87
Provision for doubtful debts	62.34	-
Foreign exchange loss	1.99	-
Miscellaneous expenses	3.85	2.94
	<b>17,831.45</b>	<b>19,000.35</b>
<b>27.1 Auditor's remuneration</b>		
Statutory audit fees	17.00	15.00
Out of pocket expenses	-	0.33
<b>Total</b>	<b>17.00</b>	<b>15.33</b>

**28 Earnings per share**

The amount considered in ascertaining the Company's earnings per share constitutes the net loss after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net loss attributable to equity shareholders (₹ in lakhs)	(8,541.53)	(9,160.06)
Weighted average number of shares outstanding during the year - Basic	26,031.13	25,333.00
Face value per share	10.00	10.00
Earnings/(loss) per share - Basic (₹)	(32,812.74)	(36,158.59)

Note: The effect of convertible preference shares and employee stock options on EPS is anti-dilutive in nature and hence diluted EPS is same as basic.

**29 Employee benefit plans:****a. Defined contribution plan**

The amount recognised as an expense during the year ended 31 March 2024 towards provident and other funds is ₹ 83.76 Lakhs (31 March 2023: ₹ 77.57 Lakhs).

**b. Defined benefit plan****(i) Gratuity (Unfunded)**

**Defined Benefit Plans:** The Company provides for gratuity benefit under a defined benefit retirement scheme (the "Gratuity Scheme") as laid out by the Payment of Gratuity Act, 1972 of India covering eligible employees. Liabilities with regard to the Gratuity Scheme are determined by actuarial valuation carried out using the Projected Unit Credit Method by an independent actuary.

The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Present value of defined benefit obligation	As at 31 March 2024	As at 31 March 2023
Present value of the obligation at beginning of the year	134.66	76.65
Current service cost	64.90	66.25
Interest cost	9.76	5.56
Actuarial (gain)/loss on obligation	(40.89)	(13.80)
Benefits paid	-	-
<b>Present value of the obligation at the end of the year</b>	<b>168.43</b>	<b>134.66</b>

Expense recognised in the statement of profit and loss	Year ended 31 March 2024	Year ended 31 March 2023
Current service cost	64.90	66.25
Interest cost	9.76	5.56
Actuarial (gain)/ loss	(40.89)	(13.80)
<b>Total expense</b>	<b>33.77</b>	<b>58.01</b>

Movement in liability recognised in the balance sheet	As at 31 March 2024	As at 31 March 2023
Liability at the beginning of the year	134.66	76.65
Expense as recognised in the statements of profit and loss	33.77	58.01
Benefits paid	-	-
<b>Liability at the end of the year</b>	<b>168.43</b>	<b>134.66</b>

Current and non current classification	As at 31 March 2024	As at 31 March 2023
Current	2.93	2.34
Non-current	165.50	132.32

Actuarial assumptions	31 March 2024	31 March 2023
Discount rate (p.a.) **	7.21%	7.48%
Salary escalation rate (p.a.) ***	10.00%	10.00%
Retirement age	60 years	60 years
Mortality rate	Indian Assured Lives Mortality (IALM) (2012-2014) Ult.	Indian Assured Lives Mortality (IALM) (2012-2014) Ult.

\*\* The discount rate is based on the market yields of Government bonds as at the balance sheet date.

\*\*\* The estimates of future salary increases is assumed keeping in view the inflation rate on a long-term basis.

Experience adjustment:	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial loss /(gain) on obligations	(40.89)	(13.80)

## Details of present value of obligation, plan assets and experience adjustments:

	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020
Present value of obligation	168.43	134.66	76.65	42.04	17.78
Fair value of plan assets	-	-	-	-	-
Deficit	168.43	134.66	76.65	42.04	17.78
Experience adjustments:					
On plan liabilities:- (gain) / loss	(40.89)	(13.80)	(0.56)	0.76	-
On plan assets:- gain / (loss)	-	-	-	-	-

## (ii) Leave encashment

The compensated absences cover the Company's liability for earned leave. The amount of the provision of ₹ 64.72 lakhs (31 March 2023 – ₹ 36.76 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

## 30 Related party disclosures

In accordance with the requirements of Accounting Standard (AS) 18, 'Related Party Disclosures' as specified under Section 133 of the Act, read with (the Companies (Accounting Standards) Rules, 2021), the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are as follows:

## a. Names of related parties and description of relationship (with whom transactions have taken place)

Description of relationship	Name of related parties
(i) Key management personnel	Mr. Tarun Sharma - Director Mr. Vikas Lachhwani - Director
(ii) Relatives of Key management personnel	Mrs. Vaishali Gupta
(iii) Subsidiary	Kreative Beauty Private Limited w.e.f. 23 May 2023

## b. Transactions with related parties

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Remuneration *</b>		
Mr. Tarun Sharma	132.18	177.38
Mr. Vikas Lachhwani	132.18	177.38
Mrs. Vaishali Gupta	68.84	78.10
<b>Reimbursement of expenditure</b>		
Mr. Tarun Sharma	17.04	2.47
Mr. Vikas Lachhwani	15.68	0.75
Mrs. Vaishali Gupta	12.19	3.12
<b>Investment in subsidiary</b>		
Kreative Beauty Private Limited	875.10	-
<b>Purchase of goods</b>		
Kreative Beauty Private Limited	753.31	-
<b>Shared support service</b>		
Kreative Beauty Private Limited	427.89	-
<b>Expenses incurred on behalf of Kreative Beauty Private Limited</b>		
Kreative Beauty Private Limited	462.80	-

## c. Balances with related parties (as at year-end)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Amount payable</b>		
Mr. Tarun Sharma	106.48	51.30
Mr. Vikas Lachhwani	107.09	56.67
Mrs. Vaishali Gupta	23.09	11.35
Kreative Beauty Private Limited	16.24	-

\* The remuneration to KMP does not include provision for gratuity and leave encashment determined on actuarial basis



**31 Leases**

The Company has entered into operating lease agreements for office facilities and such leases are basically cancellable and non-cancellable in nature.

Lease rent expense recognised in the Statement of Profit and Loss for the year ended 31 March 2024 in respect of operating leases is ₹ 464.94 lakhs (for the year ended 31 March 2023 - ₹ 356.44 lakhs)

Certain non-cancellable operating leases extend upto a maximum of two years from their respective dates of inception. Maximum obligations on long term non-cancellable operating leases in accordance with the rentals stated in the respective agreements are as under:

Particulars	As at 31 March 2024	As at 31 March 2023
Not later than 1 year	243.00	45.57
Later than 1 year but not later than 5 years	147.00	-
Later than 5 years	-	-

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**32 Employee Stock Option Plan**

The Company has implemented employee share-based payment plans for the key employees of the Company. All the options issued by the Company are equity share based options which have to be settled in equity shares only. The shares to be allotted to employees under the Employee Stock Option Plan (ESOP) will be through fresh issue of equity shares by the Company.

The Company accounts for employee share-based payments using the fair value method. The fair value of the stock options issued by the Company to its employees for services rendered by them is measured as the amount of fair value of the Company's options as on the date of grant. For ESOP, the Company has recognised cost based on the guidance note on accounting for employee share-based payments, issued by the ICAI.

The fair value at grant date is determined using the Black-Scholes model which takes into account the exercise price, expected volatility, option's life, the share price at grant date, the expected dividend yield and the risk free interest rate for the term of the option.

**(i) Description of the share based payment plan is as follows:**

Plan	ESOP						
	16 October 2018	01 May 2019	01 May 2020	17 May 2021	14 January 2022	30 July 2022	14 September 2022
Grant date							
Number of options	335	112	122	894	916	100	150
Exercise price (₹)	10	10	10	10	10	10	47,955
Vesting Period:	2 years	2 years	2 years	1 year	1 year	1 year	4 Years
Value of shares as on grant date (₹)	8,302.00	8,302.00	27,598.52	28,551.00	95,862.00	95,733.61	95,733.61

Plan	ESOP
Grant date	Financial year 23-24
Number of options	607
Exercise price (₹)	10
Vesting Period:	1- 4 years
Value of shares as on grant date (₹)	95,559.99

**(ii) Movement in shares options during the current year**

The following reconciles the shares options outstanding at the beginning and the end of the year:

ESOP Plan	Year ended 31 March 2024		Year ended 31 March 2023	
	Numbers of options	Weighted average exercise price	Numbers of options	Weighted average exercise price
Balance at beginning of year	2,629	2,746	2,379	10
Granted during the year	607	10	250	28,777
Forfeited/ lapsed during the year	(116)	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Surrendered during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>3,120</b>	<b>10*</b>	<b>2,629</b>	<b>2,745.55</b>
<b>Exercisable at the end of the year</b>	<b>2,515</b>	<b>-</b>	<b>2,379</b>	<b>-</b>

\* To whomsoever ESOPs were granted at a price higher than Rs10/- before 21st December 2023 were repriced by fixing the strike price as Rs10/-.

**(iii) The vesting pattern of the ESOP has been provided as below:**

Year of vesting	ESOP Plan 2018
F.Y. 2019-20	168
F.Y. 2020-21	224
F.Y. 2021-22	116
F.Y. 2022-23	1,871
F.Y. 2023-24	136
F.Y. 2024-25	196
F.Y. 2025-26	212
F.Y. 2026-27	149
F.Y. 2027-28	48

**(iv) Share based payment expenses / Share options outstanding account arising from employee share-based payment plans**

Particulars	2023-24	2022-23
Share based payment expenses	211.94	812.98
Share options outstanding account	1,499.79	1,287.85

## 33 Ratios

Following are the ratios computed for the period/year:

Ratios	Unit	Basis	31 March 2024	31 March 2023	Variance	Reason (If variation is more than 25%)
Current Ratio	Times	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.24	2.08	-41%	There has been significantly increase in the short term borrowings on account of overdraft facility availed from banks and hence decrease in the ratio.
Debt-Equity Ratio	Times	$\frac{\text{Total Debt}}{\text{Total Shareholders Equity}}$	0.47	0.33	-43%	On account of losses in the current year, shareholder's net worth has reduced as a result debt to equity ratio has increased.
Debt Service Coverage Ratio	Times	$\frac{\text{Earnings for debt service}}{\text{Debt service}}$	(24.98)	(10.25)	-144%	In the current year, Company has utilised additional overdraft facility which has resulted in decrease in the ratio.
Return on Equity Ratio	Percentage	$\frac{\text{Loss After Tax}}{\text{Average Shareholders Equity}}$	-159%	-79%	-101%	Due to decrease in shareholder's funds, the return on equity has decreased.
Inventory Turnover Ratio	Times	$\frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$	3.20	4.64	-31%	The ratio has decreased due to decrease in the purchases in the current year as compared with previous year.
Trade Receivables turnover ratio	Times	$\frac{\text{Revenue from operations}}{\text{Average Trade Receivables*}}$	6.59	8.71	-24%	
Trade Payables turnover ratio	Times	$\frac{\text{Credit Purchases}}{\text{Average Trade Payables}}$	1.62	2.38	-32%	The ratio has decreased due to increase in the Trade payables in the current year as compared with previous year.
Net Capital turnover ratio	Times	$\frac{\text{Revenue from Operations}}{\text{Working Capital}}$	9.19	2.83	224%	The increase in ratio is due to decrease in working capital.
Net profit ratio	Percentage	$\frac{\text{Net Profit After Tax}}{\text{Revenue from operations}}$	-44%	-45%	-1%	
Return on Capital Employed	Percentage	$\frac{\text{Earnings before Interest and Tax}}{\text{Capital Employed}}$	-279%	-121%	131%	Due to decrease in shareholder's funds, the ratio has decreased.

\* Average trade receivables include receivable from agents

34 Figures of the previous year has been re-grouped/re-arranged wherever necessary. Such reclassifications are not material to the financial statements.

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**PEP Technologies Private Limited**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

35 Expenditure in foreign currency	Year ended 31 March 2024	Year ended 31 March 2023
<b>Earnings</b>		
Revenue from Sale of products	172.48	91.67
	<b>172.48</b>	<b>91.67</b>
<b>Expenditure</b>		
Advertising and sales promotion expenses	0.91	77.00
Web hosting and server support expenses	80.37	25.71
Professional fees	24.47	12.22
Travelling and conveyance	5.50	-
	<b>111.25</b>	<b>114.93</b>

**36 Additional Information**

- a) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee)
- b) The Company has not revalued its Property, Plant and Equipment during the year.
- c) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.
- d) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- e) The Company has not been declared as Willful defaulter by any Banks, Financial institution or Other lenders.
- f) The Company do not have any transactions with companies struck off.
- g) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- h) The provision related to number of layers as prescribed under section 2(87) of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to Company.
- i) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- j) The Company have not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding 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 provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- k) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- l) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- m) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 37 The Company has been sanctioned a working capital limit in excess of Rs. 5 crores, by banks on the basis of security of current assets during the year. Pursuant to the terms of the sanction letters the Company is not required to file any quarterly return or statement with such banks or financial institutions.

**38 Audit trail**

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company, in respect of financial year commencing on 01 April 2023, has used two accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for one accounting software used for maintenance of inventory, order management and invoicing records. However, for another accounting software the audit trail (edit log) feature could not sufficiently demonstrate whether the same was enabled and operated effectively throughout the year used for maintenance of all other accounting records.

As per our report of even date

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of  
**PEP Technologies Private Limited**

**Yashwant M. Jain**  
Partner  
Membership No.: 118782

**Tarun Sharma**  
Director  
DIN: 07264165

**Vikas Lachhwani**  
Director  
DIN: 02898317

Place : Mumbai  
Date: 28 September 2024

Place : Mumbai  
Date: 28 September 2024

Place : Mumbai  
Date: 28 September 2024

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**Walker Chandiook & Co LLP**

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## **Independent Auditor's Report**

### **To the Members of PEP Technologies Private Limited**

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

##### **Opinion**

1. We have audited the accompanying consolidated financial statements of PEP Technologies Private Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at **31 March 2024**, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, and their consolidated loss, and consolidated cash flows for the year ended on that date.

##### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards 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 Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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.

##### **Information other than the Consolidated Financial Statements and Auditor's Report thereon**

4. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's 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, 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.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 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 Board of Directors of the Holding Company, as aforesaid.
6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.
7. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

8. 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 Standards on Auditing 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.
9. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act 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;
  - Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding 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 management;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 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 to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.
10. 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.

#### **Report on Other Legal and Regulatory Requirements**

11. Based on our audit referred to in paragraph 10, on separate financial statements of the subsidiary, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Holding Company, and its subsidiary incorporated in India whose financial statements have been audited under the Act since none of such companies is a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
12. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
13. As required by section 143(3) of the Act based on our audit, 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 purpose 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, except for the matters stated in paragraph 26(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)}.
  - c) The consolidated financial statements 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 Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021;
  - e) On the basis of the written representations received from the directors of the Holding Company, and its subsidiary Company and taken on record by the Board of Directors of the Holding Company, its subsidiaries, none of the directors of the Group companies are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

- f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 13(b) above on reporting under section 143(3)(b) of the Act and paragraph 13(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)];
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an modified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. There were no pending litigations as at 31 March 20XX which would impact the consolidated financial position of the Group;
  - ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary, during the year ended 31 March 2024;
  - iii.
    - a. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us respectively that, to the best of their knowledge and belief as disclosed in note 33(j) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us respectively that, to the best of their knowledge and belief as disclosed in the note 33(k) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - iv. The Holding Company and its subsidiary have not declared or paid any dividend during the year ended 31 March 2024.



**PEP Technologies Private Limited**

**Independent Auditor's Report on the Audit of the Consolidated Financial Statements**

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- v. As stated in Note 34 to the consolidated financial statements and based on our examination which included test checks, the Holding Company and its subsidiary, in respect of financial year commencing on 01 April 2023, have used two accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for one accounting software used for maintenance of inventory, order management and invoicing records. However, for another accounting software the audit trail (edit log) feature could not sufficiently demonstrate whether the same was enabled and operated effectively throughout the year used for maintenance of all other accounting records. During the course of our audit we did not come across any instance of audit trail feature being tampered with where such feature is enabled.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Yashwant M. Jain**

Partner

Membership No.: 118782

**UDIN:** 24118782BKHJNS8087

**Place:** Mumbai

**Date:** 28 September 2024

**PEP Technologies Private Limited**  
**Independent Auditor's Report on the Audit of the Consolidated Financial Statements**

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**Annexure 1:**

**List of entities included in the Consolidated Financial Statements**

PEP Technologies Private Limited

Kreative Beauty Private Limited

**Annexure I to the Independent Auditor's report of even date to the members of the PEP Technologies Private Limited on the Consolidated Financials Statements for the year ended 31 March 2024**

**Independent Auditor's report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of PEP Technologies Private Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, which are companies covered under the Act, as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company, which is a company covered under the Act, are responsible for establishing and maintaining internal financial controls based on 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. 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. The audit of internal financial controls with reference to financial statements of the aforementioned subsidiary, which is a company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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.
4. 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 includes obtaining an understanding of such internal financial controls, 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 financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid.

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

6. 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

7. 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 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.

**Opinion**

8. In our opinion, the Holding Company, which is a company covered under the Act, has in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on 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.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Yashwant M. Jain**  
Partner  
Membership No.: 118782  
UDIN: 24118782BKHJNS8087

**Place:** Mumbai  
**Date:** 28 September 2024

**PEP Technologies Private Limited**  
**Consolidated Balance Sheet as at 31 March 2024**  
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	Notes	As at 31 March 2024
<b>Equity and liabilities</b>		
<b>Shareholders' funds</b>		
Share capital	3	17.37
Reserves and surplus	4	2,509.44
		<u>2,526.81</u>
<b>Non-current liabilities</b>		
Long-term provisions	5	165.50
		<u>165.50</u>
<b>Current liabilities</b>		
Short term borrowings	6	1,539.82
Trade payables	7	
- total outstanding dues of micro and small enterprises		696.94
- total outstanding dues of creditors other than micro and small enterprises		4,496.48
Other current liabilities	8	821.83
Short-term provisions	9	1,542.17
		<u>9,097.24</u>
		<u>11,789.55</u>
<b>TOTAL</b>		
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	10	130.79
Goodwill	12	194.19
Intangible assets	11	60.19
Non-current investments	12	-
Deferred tax assets (net)	13	-
Long term loans and advances	14	249.43
		<u>634.60</u>
<b>Current assets</b>		
Inventories	15	2,152.51
Trade receivables	16	2,824.89
Cash and bank balances	17	3,317.63
Short term loans and advances	18	2,613.79
Other current assets	19	246.12
		<u>11,154.94</u>
		<u>11,789.54</u>
<b>TOTAL</b>		

Significant accounting policies and other explanatory information

1 to 37

This is the Balance Sheet referred to in our report of even date.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of  
**PEP Technologies Private Limited**

**Yashwant M. Jain**

Partner

Membership No.: 118782

Place : Mumbai

Date : 28 September 2024

**Tarun Sharma**

Director

DIN: 07264165

Place : Mumbai

Date : 28 September 2024

**Vikas Lachhwani**

Director

DIN: 02898317

Place : Mumbai

Date : 28 September 2024

**PEP Technologies Private Limited**  
**Consolidated Statement of Profit and Loss for the year ended 31 March 2024**  
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	Notes	Year ended 31 March 2024
<b>Revenue</b>		
Revenue from operations	20	19,301.31
Other income	21	463.94
<b>Total income</b>		<b>19,765.25</b>
<b>Expenses</b>		
Purchase of traded goods and packing materials	22	6,294.41
Changes in inventories of traded goods and packing materials	23	(98.76)
Employee benefits expense	24	3,854.54
Finance costs	25	336.54
Depreciation and amortisation expense	26	44.17
Other expenses	27	18,598.75
<b>Total expenses</b>		<b>29,029.65</b>
<b>Loss before tax</b>		<b>(9,264.40)</b>
<b>Tax expense</b>		
Current tax		-
Deferred tax charge		-
<b>Loss for the year</b>		<b>(9,264.40)</b>
<b>Earnings per equity share (Nominal value of shares is ₹ 10 each)</b>	28	
Basic and Diluted (in ₹ lakhs)		(35,589.70)
Face value per share (in ₹)		10.00
Significant accounting policies and other explanatory information	1 to 37	

This is the Statement of Profit and Loss referred to in our audit report of even date.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors of  
**PEP Technologies Private Limited**

**Yashwant M. Jain**  
Partner  
Membership No.: 118782

**Tarun Sharma**  
Director  
DIN: 07264165

**Vikas Lachhwani**  
Director  
DIN: 02898317

Place : Mumbai  
Date : 28 September 2024

Place : Mumbai  
Date : 28 September 2024

Place : Mumbai  
Date : 28 September 2024

PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024  
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

3 Share capital

	As at 31 March 2024	
	Number of shares	Amount
<b>Authorised share capital</b>		
Equity shares of ₹ 10 each	1,02,000	10.20
0.001% Compulsory convertible preference shares of ₹ 10 each	1,80,000	18.00
	<b>2,82,000</b>	<b>28.20</b>
<b>Issued, subscribed and fully paid up shares:</b>		
Equity Shares of ₹ 10 each	26,617	2.66
0.001% Compulsory convertible preference shares of ₹ 10 each	10,283	1.03
0.001% Series A Compulsory convertible preference shares of ₹ 10 each	9,352	0.94
0.001% Series A1 Compulsory convertible preference shares of ₹ 10 each	8,085	0.81
0.001% Series B Compulsory convertible preference shares of ₹ 10 each	23,217	2.32
0.001% Series B1 Compulsory convertible preference shares of ₹ 10 each	16,135	1.61
0.001% Series B2 Compulsory convertible preference shares of ₹ 10 each	20,967	2.10
0.001% Series C Compulsory convertible preference shares of ₹ 10 each	45,843	4.58
0.001% Series C1 Compulsory convertible preference shares of ₹ 10 each	156	0.02
0.001% Series C2 Compulsory convertible preference shares of ₹ 10 each	300	0.03
0.001% Series C3 Compulsory convertible preference shares of ₹ 10 each	9,432	0.94
0.001% Series C4 Compulsory convertible preference shares of ₹ 10 each	1,404	0.14
0.001% Series C5 Compulsory convertible preference shares of ₹ 10 each	1,873	0.19
	<b>1,73,664</b>	<b>17.37</b>
<b>a) Reconciliation of share capital</b>		
<b>(i) Equity Shares of ₹ 10 each</b>		
At the beginning of the year	25,333	2.53
Issued during the year	1,284	0.13
Balance at the end of the year	<b>26,617</b>	<b>2.66</b>
* During the year Seed CCPS 1,284 share have been converted to 1284 equity shares at 1:1 ratio.		
<b>(ii) Seed Compulsory convertible preference shares of ₹ 10 each</b>		
At the beginning of the year	11,567	1.16
Issued during the year	-	-
Converted during the year	(1,284)	(0.13)
Balance at the end of the year	<b>10,283</b>	<b>1.03</b>
<b>(iii) Series A Compulsory convertible preference shares of ₹ 10 each</b>		
At the beginning of the year	9,352	0.94
Issued during the year	-	-
Balance at the end of the year	<b>9,352</b>	<b>0.94</b>
<b>(iv) Series A1 Compulsory convertible preference shares of ₹ 10 each</b>		
At the beginning of the year	8,085	0.81
Issued during the year	-	-
Balance at the end of the year	<b>8,085</b>	<b>0.81</b>
<b>(v) Series B Compulsory convertible preference shares of ₹ 10 each</b>		
At the beginning of the year	23,217	2.32
Issued during the year	-	-
Balance at the end of the year	<b>23,217</b>	<b>2.32</b>
<b>(vi) Series B1 Compulsory convertible preference shares of ₹ 10 each</b>		
At the beginning of the year	16,135	1.61
Issued during the year	-	-
Balance at the end of the year	<b>16,135</b>	<b>1.61</b>

PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	As at 31 March 2024	
	Number of shares	Amount (In Lakhs)
<b>(vii) Series B2 Compulsory convertible preference shares of ₹ 10 each</b>		
At the beginning of the year	20,967	2.10
Issued during the year	-	-
<b>Balance at the end of the year</b>	<b>20,967</b>	<b>2.10</b>
<b>(viii) Series C Compulsory convertible preference shares of ₹ 10 each</b>		
At the beginning of the year	45,843	4.58
Issued during the year	-	-
<b>Balance at the end of the year</b>	<b>45,843</b>	<b>4.58</b>
<b>Series C1 Compulsory convertible preference shares of ₹ 10 each</b>		
At the beginning of the year	156	0.02
Issued during the year	-	-
<b>Balance at the end of the year</b>	<b>156</b>	<b>0.02</b>
<b>Series C2 Compulsory convertible preference shares of ₹ 10 each</b>		
At the beginning of the year	300	0.03
Issued during the year	-	-
<b>Balance at the end of the year</b>	<b>300</b>	<b>0.03</b>
<b>Series C3 Compulsory convertible preference shares of ₹ 10 each</b>		
At the beginning of the year	-	-
Issued during the year	9,432	0.94
<b>Balance at the end of the year</b>	<b>9,432</b>	<b>0.94</b>
<b>Series C4 Compulsory convertible preference shares of ₹ 10 each</b>		
At the beginning of the year	-	-
Issued during the year	1,404	0.14
<b>Balance at the end of the year</b>	<b>1,404</b>	<b>0.14</b>
<b>Series C5 Compulsory convertible preference shares of ₹ 10 each</b>		
At the beginning of the year	-	-
Issued during the year	1,873	0.19
<b>Balance at the end of the year</b>	<b>1,873</b>	<b>0.19</b>

b) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2024	
	Number of shares	% holding
<b>Equity shares of ₹ 10 each</b>		
Tarun Sharma	10,427	39.17%
Vikas Lachhwani	10,426	39.17%
	<b>20,853</b>	<b>78.34%</b>
<b>Preference shares</b>		
<b>Seed Compulsory convertible preference shares of ₹ 10 each</b>		
Navjot Singh Saini	679	6.60%
Parthasarathi Bandyopadhyay	654	6.36%
Purvi Rohit Pugalia	602	5.85%
Sejal Kaushik	602	5.85%
La Moda Clothing Exports Private Limited	602	5.85%
Rohit Mohan Pugalia	596	5.80%
Harminder Sahni	567	5.51%
Vinod Bamalwa	567	5.51%
	<b>4,869</b>	<b>47.33%</b>



**PEP Technologies Private Limited**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

**Series A Compulsory convertible preference shares of ₹ 10 each**

RP-SG Ventures Investment Trust	4,999	53.45%
Tejas Subramanian (Beneficial owner - Telama investment)	1,205	12.88%
Milestone Trusteeship Services Private Limited acting as the trustee to LetsVenture Mcaffeine I	1,048	11.21%
Kaushal Aggarwal	915	9.78%
Apurva Salarpuria	602	6.44%
	<b>8,769</b>	<b>93.76%</b>

**As at 31 March 2024****Number of shares      % holding****Series A1 Compulsory convertible preference shares of ₹ 10 each**

Milestone Trusteeship Services Private Limited Trustee of RP-SG-Venture Fund 1	3,614	44.70%
Tejas Subramanian (Beneficial owner - Telama investment)	1,205	14.90%
Sejal Kaushik	602	7.45%
Milestone Trusteeship Services Private Limited acting as the trustee to LetsVenture Mcaffeine I	546	6.75%
KL Rahul	723	8.94%
	<b>6,690</b>	<b>82.74%</b>

**Series B Compulsory convertible preference shares of ₹ 10 each**

Milestone Trusteeship Services Private Limited Trustee of RP-SG-Venture Fund 1	1,653	7.12%
Amicus Capital Private Equity I LLP	19,113	82.32%
Amicus Capital Partners India Fund I	1,821	7.84%
	<b>22,587</b>	<b>97.28%</b>

**Series B1 Compulsory convertible preference shares of ₹ 10 each**

Amicus Capital Private Equity I LLP (ACPE)	5,700	35.33%
Rishabh Harsh Mariwala	5,254	32.56%
Milestone Trusteeship Services Private Limited Trustee of RP-SG-Venture Fund1	2,102	13.03%
Rajesh Khemlani	1,366	8.47%
	<b>14,422</b>	<b>89.39%</b>

**Series B2 Compulsory convertible preference shares of ₹ 10 each**

Rishabh Harsh Mariwala	6,305	30.07%
GRAND ANICUT ANGEL FUND	4,729	22.55%
7Square	3,153	15.04%
Ishita Marwah	2,102	10.03%
Paula Mariwala	2,102	10.03%
Saphire Corporate Consultants Pvt Ltd	1,051	5.01%
Minda Advisory LLP	1,051	5.01%
	<b>20,493</b>	<b>97.74%</b>

**Series C Compulsory convertible preference shares of ₹ 10 each**

Paragon Partners Growth Fund II	20,289	44.26%
Singularity Growth Opportunities Fund I	10,776	23.51%
Amicus Capital Private Equity I LLP (ACPE)	6,492	14.16%
Quest properties India Limited	2,796	6.10%
RPSG Capital Venture Opportunity Fund I, A scheme of RP-SG Ventures Investment Trust	2,616	5.71%
	<b>42,969</b>	<b>93.74%</b>

**Series C1 Compulsory convertible preference shares of ₹ 10 each**

Neeraj Madhok	156	100.00%
	<b>156</b>	<b>100.00%</b>

**Series C2 Compulsory convertible preference shares of ₹ 10 each**

Vikas Lachhawani	150	50.00%
Tarun Sharma	150	50.00%
	<b>300</b>	<b>100.00%</b>

**PEP Technologies Private Limited**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

**Series C3 Compulsory convertible preference shares of ₹ 10 each**

Rishabh Harsh Mariwala	1,563	16.57%
Singularity Growth Opportunities Fund I, Scheme to Singularity Growth Opportunities Fund	1,563	16.57%
Paragon Partners Growth Fund II	4,683	49.65%
DSP HMK Holdings Private Limited	1,561	16.55%
	<b>9,370</b>	<b>99.34%</b>

**Series C4 Compulsory convertible preference shares of ₹ 10 each**

Apurva Salarpuria	780	55.56%
Vinod Bamalwa	312	22.22%
Paula Mariwala	312	22.22%
	<b>1,404</b>	<b>100.00%</b>

**Series C5 Compulsory convertible preference shares of ₹ 10 each**

Viswadharm Commodities LLP	312	16.66%
Kodura Iswara Varaprasad Reddy	1,561	83.34%
	<b>1,873</b>	<b>100.00%</b>

**(c) Details of Shares held by Promoters at the end of the year**

As at March 2024

Name of promoter	No. of shares at the beginning of the year	Changes	No. of shares at the end of the year
Tarun Sharma	10,427	-	10,427
Vikas Lachhwani	10,426	-	10,426
<b>Total</b>	<b>20,853</b>		<b>20,853</b>

**c) Terms/rights of shares:****(i) Equity shares**

The Company has one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of paid up equity shares held by the shareholders.

**(ii) Preference shares**

The Company has different classes of compulsory convertible preference shares (CCPS) viz. (Seed CCPS, Series A CCPS, Series A1 CCPS, Series B CCPS, Series B1 CCPS, Series B2 CCPS, Series C CCPS, Series C1 CCPS, Series C2 CCPS, Series C3 CCPS, Series C4 CCPS, Series C5 CCPS) having a par value of ₹ 10 each.

The Preference shares holders shall be entitled to voting rights on a pro rata basis with the equity Shares of the Company on a fully diluted basis.

The holder of each preference share shall be entitled to fixed, non-cumulative preferential dividend at the rate of 0.001% per annum for all the preference shares till such time that the preference shares are outstanding. In addition, the preference share holders shall be entitled to participate in any dividend distribution to holders of equity shares on an as if converted basis.

**(iii) Conversion terms:****Seed Compulsory convertible preference shares**

Each Seed CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

The holder of each Seed CCPS has the option to convert all or part of its holdings into equity shares any time prior to expiry of the above mentioned period.

Each Seed CCPS shall be converted into 1 (one) equity shares of the Company.

**Series A Compulsory convertible preference shares**

Each Series A CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

The holder of each Series A CCPS has the option to convert all or part of its holdings into equity shares any time prior to expiry of the above mentioned period.

Each Series A CCPS shall be converted into 1 (one) equity shares of the Company.

## PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

### Series A1 Compulsory convertible preference shares

Each Series A1 CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

The holder of each Series A1 CCPS has the option to convert all or part of its holdings into equity shares any time prior to expiry of the above mentioned period.

Each Series A1 CCPS shall be converted into equity shares determined at a conversion ratio calculated based on an initial conversion price as per the following:

- (i) In the event that the next Qualified Fundraise occurs within a period of 18 months from the date of allotment of the series A1 CCPS (the "Outer Date") the series A1 CCPS would be convert at the lower of:
  - (a) the price calculated on the basis of the pre-money valuation at which shares are issued in such next qualified fundraise less discount of 2.25% for each month between the date of issuance of the series A1 CCPS and the date of the next qualified fundraise; or
  - (b) the price calculated on the basis of the pre-money valuation at which shares are issued in such next qualified fundraise less a discount of 14%.
- ii) In the event that the next qualified fundraise does not occur before the outer date, or if there is breach of the terms of issuance of the series A1 CCPS ( unless waived by the single largest holder of the series A1 CCPS ), the holder of the series A1 CCPS would be entitled to convert these instruments at a conversion price of INR 8,302.

### Series B Compulsory convertible preference shares

Each Series B CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

The holder of each Series B CCPS has the option to convert all or part of its holdings into equity shares any time prior to expiry of the above mentioned period.

Each Series B CCPS shall have a conversion ratio of 3:1 i.e. every 3 Series B CCPS shall be converted into 1 (one) equity shares of the Company.

### (iii) Conversion terms

All the classes of the Preference Shares shall be converted into Equity Shares in 1:1 ("Conversion Ratio") based on an initial conversion price equal to their respective subscription price ("Conversion Price") anytime at the option of the respective Preference Shareholder no later than the earlier of (i) the occurrence of a Liquidation Event, if conversion is necessary by the terms of the Liquidation Event; (ii) consummation of a IPO or any IPO or upon the filing of the draft red herring prospectus or the red herring prospectus, whichever is required by applicable law; or (iii) a day prior to 20 (twenty) years from the date of allotment of such shares, and at the end of such period, such Preference Shares which are not so converted shall stand automatically converted into Equity Shares.

### Series B1 Compulsory convertible preference shares

Each Series B1 CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

#### Conversion Ratio -

- (i) In the event that the Next Qualified Fundraise occurs within a period of 18 (eighteen) months from the date of allotment of the Series B1 CCPS (the "Outer Date") or within the Extended Outer

Date (as defined below), the Series B1 CCPS would convert at the lower of:

- (a) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 2.25% for each month between the date of issuance of the Series B1 CCPS and the date of the Next Qualified Fundraise; or
  - (b) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 14%.
- hereinafter referred to as the ("Series B1 Conversion Price").

### Series B2 Compulsory convertible preference shares

Each Series B2 CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

#### Conversion Ratio -

- (i) In the event that the Next Qualified Fundraise occurs within a period of 18 (eighteen) months from the date of allotment of the Series B2 CCPS (the "Outer Date") or within the Extended Outer Date (as defined below), the Series B2 CCPS would convert at the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise, less a discount of 2.25% (two point twenty five percent) for each month between the date of issuance of the Series B2 CCPS and the date of the Next Qualified Fundraise; hereinafter referred to as the ("Series B2 Conversion Price").

### Series C Compulsory convertible preference shares

Each Series C CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

The holder of each Series C CCPS has the option to convert all or part of its holdings into equity shares any time prior to expiry of the above mentioned period.

Each Series C CCPS shall have a conversion ratio of 3:1 i.e. every 3 Series C CCPS shall be converted into 1 (one) equity shares of the Company.

**PEP Technologies Private Limited**

**Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024**

**(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)**

**Series C1 Compulsory convertible preference shares**

Each Series C1 CCPS shall compulsorily convert into equity shares of the Company upon the occurrence of any of the following events:

- (i) Listing of the equity shares of the Company under a Qualified IPO or IPO (Public Offering); or
- (ii) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment;

The holder of each Series C1 CCPS has the option to convert all or part of its holdings into equity shares any time prior to expiry of the above mentioned period.

Each Series C1 CCPS shall have a conversion ratio of 2.994:1 i.e. every 2.994 Series C CCPS shall be converted into 1 (one) equity shares of the Company.

**Series C2 Compulsory convertible preference shares**

Conversion terms:

The Series C2 CCPS shall compulsorily convert into Equity Shares of the Company upon the occurrence of any of the following events

- (a) Listing of the Equity Shares of the Company under an IPO ("Public Offering"); or
- (b) Expiry of 19 years and 11 months from the date of the issuance and allotment ("Investment Period");

**Conversion ratio:**

(i) The Series C2 CCPS shall compulsorily convert into Equity Shares subject to the following Qualifying criteria -

- (a) The company raises a minimum of INR 5 crore by way of issue of shares on or before 31 March 2024.

(ii) Upon happening of qualifying criteria, each series C2 CCPS shall be convertible into common shares, with the number of common shares to be issued determined based on the following performance conditions:

(a) Scenario 1: Where the company is able to achieve annual GMV of INR 5,500 million in FY 2024 ending 31 March 2024 ("Threshold GMV"), then every 3 series C2 CCPS shall convert into 18.74 equity shares.

- (b) Scenario 2: Where the company is not able to achieve the threshold GMV, then every 3 series C2 CCPS shall convert into 0.0001 common shares.

**Series C3 Compulsory convertible preference shares**

Conversion terms:

The Series C3 CCPS shall compulsorily convert into Equity Shares of the Company upon the occurrence of any of the following events

- (a) Listing of the Equity Shares of the Company under an IPO ("Public Offering"); or
- (b) Expiry of 19 years and 11 months from the date of the issuance and allotment ("Investment Period");

**Conversion Ratio -**

(i) In the event that the Next Qualified Fundraise occurs within a period of 18 (eighteen) months from the date of allotment of the Series C3 CCPS (the "Outer Date") or within the Extended Outer

Date (as defined below), the Series C3 CCPS would convert at the lower of:

(a) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 2.25% for each month between the date of issuance of the Series C3 CCPS and the date of the Next Qualified Fundraise; or

(b) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 14%.

hereinafter referred to as the ("Series C3 Conversion Price").

**Series C4 Compulsory convertible preference shares**

Conversion terms:

The Series C4 CCPS shall compulsorily convert into Equity Shares of the Company upon the occurrence of any of the following events

- (a) Listing of the Equity Shares of the Company under an IPO ("Public Offering"); or
- (b) Expiry of 19 years and 11 months from the date of the issuance and allotment ("Investment Period");

**Conversion ratio:**

Conversion Ratio -

(i) In the event that the Next Qualified Fundraise occurs within a period of 18 (eighteen) months from the date of allotment of the Series C4 CCPS (the "Outer Date") or within the Extended Outer

Date (as defined below), the Series C4 CCPS would convert at the lower of:

(a) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 2.25% for each month between the date of issuance of the Series C4 CCPS and the date of the Next Qualified Fundraise; or

(b) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 14%.

hereinafter referred to as the ("Series C4 Conversion Price").

**PEP Technologies Private Limited**

**Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024**

**(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)**

**Series C5 Compulsory convertible preference shares**

Conversion terms:

The Series C5 CCPS shall compulsorily convert into Equity Shares of the Company upon the occurrence of any of the following events

- (a) Listing of the Equity Shares of the Company under an IPO (“Public Offering”); or
- (b) Expiry of 19 years and 11 months from the date of the issuance and allotment (“Investment Period”);

**Conversion ratio:**

Conversion Ratio -

(i) In the event that the Next Qualified Fundraise occurs within a period of 18 (eighteen) months from the date of allotment of the Series C5 CCPS (the “Outer Date”) or within the Extended Outer

Date (as defined below), the Series C5 CCPS would convert at the lower of:

- (a) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 2.25% for each month between the date of issuance of the Series C5 CCPS and the date of the Next Qualified Fundraise; or
  - (b) the price calculated on the basis of the pre-money valuation at which Shares are issued in such Next Qualified Fundraise less a discount of 14%.
- hereinafter referred to as the (“Series C5 Conversion Price”).

**d)** The Holding Company has neither issued bonus shares or shares without payment in cash nor has there been any buy back of shares from the date of incorporation till 31 March 2024.

**e) Shares reserved for issue under options**

Refer note 32 for shares required to be issued under the employee stock option plan (ESOP) of the Holding Company.

**PEP Technologies Private Limited**

Sig

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	<b>As at 31 March 2024</b>
<b>4 Reserves and surplus</b>	
<b>Securities premium</b>	
Balance at the beginning of the year	22,807.22
Add: Premium on issue of shares	4,069.42
<b>Balance at the end of the year</b>	<b>26,876.64</b>
<b>Deficit in the Statement of Profit and Loss</b>	
Balance at the beginning of the year	(16,602.60)
Add : Loss for the year	(9,264.40)
<b>Balance at the end of the year</b>	<b>(25,867.00)</b>
<b>Share options outstanding account (Refer note 32)</b>	
Balance at the beginning of the year	1,287.85
Add: expenses for the year	211.94
<b>Balance at the end of year</b>	<b>1,499.79</b>
<b>Total</b>	<b>2,509.44</b>
<b>5 Long-term provisions</b>	
Provision for gratuity (Refer note 29b(i))	165.50
Provision for Leave encashment (Refer note 29b(ii))	-
	<b>165.50</b>
<b>6 Short term borrowings</b>	
<b>Secured</b>	
Overdraft facility from banks*	493.68
From other parties**	1,046.14
	<b>1,539.82</b>

\*The overdraft facility is secured against pari passu charge on the Holding Company's present and future current assets and rate of interest is MCLR- 6 months +1.50%.

\*\*Note: 15% Cash Margin of the utilized Program Limit to be maintained with the lender. Interest Rate is 12.25% which is deducted up front upon disbursement.

**PEP Technologies Private Limited**

Sig

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

**As at  
31 March 2024****7 Trade payables**

- Total outstanding dues of micro and small enterprises	696.94
- Total outstanding dues of creditors other than micro and small enterprises	4,496.48

**5,193.42****7.1 Note:****The disclosure pursuant to Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as follows:**

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year

- Principal amount	696.94
- Interest thereon, included in finance cost	9.21

The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier 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 Micro, Small and Medium Enterprises Development Act, 2006. -

The amount of interest accrued and remaining unpaid at the end of each accounting year; and -

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. -

Disclosure of payable to vendors as defined under the 'Micro, Small and Medium Enterprises Development Act, 2006' is based on the information available with the Holding Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Holding Company.

**Trade payables ageing schedule****31 March 2024**

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	283.64	402.75	10.55	-	-	696.94
(ii) Others	3,201.15	1,269.21	26.12	-	-	4,496.48
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>3,484.79</b>	<b>1,671.96</b>	<b>36.67</b>	-	-	<b>5,193.42</b>

**PEP Technologies Private Limited**

**Sig**

**(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)**

**As at  
31 March 2024**

**8 Other current liabilities**

Statutory dues	107.54
Advance from customers	37.28
Other Payables	82.12
Payable to employees	576.71
Interest Accrued but not Due	18.18

**821.83**

**9 Short-term provisions**

Provision for gratuity (Refer note 29b(i))	2.93
Provision for sales return	1,474.52
Provision for Leave encashment (Refer note 29b(ii))	64.72

**1,542.17**



PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

10 Property, plant and equipment

Gross block	Computers	Office equipments	Furniture and fixtures	Plant and machinery	Total
<b>Balance as at 1 April 2023</b>	<b>40.42</b>	<b>16.99</b>	<b>35.64</b>	<b>85.06</b>	<b>178.11</b>
Additions	2.45	8.69	1.81	3.80	16.75
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>42.87</b>	<b>25.68</b>	<b>37.45</b>	<b>88.86</b>	<b>194.86</b>
<b>Accumulated depreciation</b>					
<b>Balance as at 1 April 2023</b>	<b>22.85</b>	<b>4.25</b>	<b>8.25</b>	<b>6.31</b>	<b>41.66</b>
Depreciation charge	9.20	3.80	4.01	5.40	22.41
Reversal on disposal of assets	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>32.05</b>	<b>8.05</b>	<b>12.26</b>	<b>11.71</b>	<b>64.07</b>
<b>Net block</b>					
<b>Balance as at 31 March 2024</b>	<b>10.82</b>	<b>17.63</b>	<b>25.19</b>	<b>77.15</b>	<b>130.79</b>

11 Intangible assets

Gross block	Mobile Application	Trademark	Software	Design Plan	Total
<b>Balance as at 1 April 2023</b>	<b>8.25</b>	<b>47.46</b>	<b>9.25</b>	<b>32.20</b>	<b>97.16</b>
Additions	-	10.99	-	2.60	13.59
Disposals	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>8.25</b>	<b>58.45</b>	<b>9.25</b>	<b>34.80</b>	<b>110.75</b>
<b>Accumulated amortisation</b>					
<b>Balance as at 1 April 2023</b>	<b>8.24</b>	<b>7.93</b>	<b>3.63</b>	<b>9.00</b>	<b>28.80</b>
Amortisation charge	-	12.54	2.93	6.29	21.76
Reversal on disposal of assets	-	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>8.24</b>	<b>20.47</b>	<b>6.56</b>	<b>15.29</b>	<b>50.56</b>
<b>Net block</b>					
<b>Balance as at 31 March 2024</b>	<b>0.01</b>	<b>37.98</b>	<b>2.69</b>	<b>19.51</b>	<b>60.19</b>

12 Goodwill

Particulars	Goodwill
<b>Balance as at 1 April 2023</b>	<b>-</b>
Addition on acquisitions	194.19
Impairment	-
<b>Balance as at 31 March 2024</b>	<b>194.19</b>

**PEP Technologies Private Limited**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

As at  
**31 March 2024**

**13 Deferred tax assets (Net)**

**Deferred tax liabilities**

On depreciation and amortisation 7.88

**Deferred tax assets**

Provision for gratuity 42.39

Provision for Leave encashment 16.29

Share options outstanding account 377.50

Brought forward business losses/Unabsorbed depreciation 4,053.30

**Deferred tax assets (Net) \*** -

\* The Group has not recognised deferred tax assets on timing differences towards unabsorbed depreciation, carry forward of tax losses, provision for gratuity etc. as at 31 March 2024, on the basis of prudence, as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**14 Long term loans and advances**

**Unsecured, considered good**

Advance tax 141.86

Prepaid expenses 0.31

Security deposits 107.26

249.43

**15 Inventories (Valued at lower of cost and net realisable value)**

Packing materials -

Finished goods (including goods-in-transit of ₹ ₹ 43.53 lakhs) 2,152.51

2,152.51

**16 Trade receivables**

Secured, considered good

Unsecured, considered good 2,824.89

Trade Receivables - credit impaired 62.34

Less: Loss allowance (62.34)

2,824.89

**31 March 2024**

Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	2,482.89	175.86	166.14	-	-	2,824.89
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	59.81	2.53	-	-	62.34
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,482.89</b>	<b>235.67</b>	<b>168.67</b>	<b>-</b>	<b>-</b>	<b>2,887.23</b>

**PEP Technologies Private Limited**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	<b>As at 31 March 2024</b>
<b>17 Cash and bank balances</b>	
<b>Cash and cash equivalents</b>	
Cash in hand*	0.01
Balances with banks	
-Current account	2,775.63
<b>Other bank balances</b>	
Balance with Other Party	241.99
Deposits with original maturity of more than 3 months but less than 12 months*	300.00
	<b><u>3,317.63</u></b>
*Deposit with bank as on 31 March 2024 is liened towards bank guarantee.	
<b>18 Short term loans and advances</b>	
Advance to suppliers	519.33
Balance with government authorities	1,948.31
Prepaid expenses	75.84
Advance to employees	26.87
Security deposits	43.44
	<b><u>2,613.79</u></b>
<b>19 Other current assets</b>	
Interest accrued on Deposits	14.68
Receivable towards support service	-
Receivables from agents	227.15
Others	4.29
	<b><u>246.12</u></b>

**PEP Technologies Private Limited**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	<u>Year ended</u> <u>31 March 2024</u>
<b>20 Revenue from operations</b>	
Sale of products	19,301.31
	<u><b>19,301.31</b></u>
<b>21 Other income</b>	
Interest on fixed deposit with banks	452.78
Fees towards support service	-
Interest on income-tax refund	4.35
Miscellaneous income	6.81
	<u><b>463.94</b></u>
<b>22 Purchase of traded goods and packing materials</b>	
Purchase of traded goods	6,294.41
Purchase of packing materials	-
	<u><b>6,294.41</b></u>
<b>23 Changes in inventories of traded goods and packing materials</b>	
<b>Opening balance</b>	
Traded goods	1,998.39
Packing materials	55.36
	<u>2,053.75</u>
<b>Closing balance</b>	
Traded goods	2,152.51
Packing materials	-
	<u>2,152.51</u>
	<u><b>(98.76)</b></u>
<b>24 Employee benefits expense</b>	
Salaries, wages and bonus	3,429.37
Contribution to provident and other funds (Refer note 29a)	83.76
Gratuity (Refer note 29b)	33.77
Share based payment expenses (Refer note 32)	211.94
Staff welfare expenses	95.70
	<u><b>3,854.54</b></u>
<b>25 Finance costs</b>	
Interest on delayed payment of statutory dues	0.24
Interest on delayed payment of MSME	9.21
Interest on non convertible debentures	-
Interest on short term borrowings	48.51
Interest on overdraft facility from banks	278.58
Bank charges	-
	<u><b>336.54</b></u>
<b>26 Depreciation and amortisation expense</b>	
Depreciation on Property, plant and equipment (Refer note 11)	22.41
Amortisation on intangible assets (Refer note 12)	21.76
	<u><b>44.17</b></u>

**PEP Technologies Private Limited**

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	<b>Year ended 31 March 2024</b>
<b>27 Other expenses</b>	
Power and fuel	0.33
Rent (Refer note 31)	465.06
Repairs and maintenance - Others	1.69
Contract labour	1,085.32
Advertising and sales promotion expenses	11,088.86
Warehousing and product delivery charges	3,365.52
Commission charges	875.94
Web hosting and server support expenses	349.39
Product development cost	93.75
Insurance	42.38
Professional charges	559.24
Auditor's remuneration (Refer note 27.1)	21.00
Other receivables written off	32.38
Printing and stationery	10.07
Rates and taxes	45.35
Travelling and conveyance	478.02
Office expenses	7.15
Provision for doubtful debts	62.34
Foreign Exchange loss	1.99
Miscellaneous expenses	12.97
	<b><u>18,598.75</u></b>
<b>27.1 Auditor's remuneration</b>	
Statutory audit fees	21.00
Out of pocket expenses	-
<b>Total</b>	<b><u>21.00</u></b>

**PEP Technologies Private Limited**

**Significant accounting policies and other explanatory information as at and for the year ended 31 March 2024**

(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

**28 Earnings per share**

The amount considered in ascertaining the Group's earnings per share constitutes the net loss after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Particulars	Year ended 31 March 2024
Net loss attributable to equity shareholders (₹ in lakhs)	(9,264.40)
Weighted average number of shares outstanding during the year - Basic	26,031.13
Face value per share	10.00
Earnings/(loss) per share - Basic (₹ in lakhs)	(35,589.70)

Note: The effect of convertible preference shares and employee stock options on EPS is anti-dilutive in nature and hence diluted EPS is same as basic.

**29 Employee benefit plans:**

**a. Defined contribution plan**

The amount recognised as an expense during the year ended 31 March 2024 towards provident and other funds is ₹ 83.76 Lakhs.

**b. Defined benefit plan**

**(i) Gratuity (Unfunded)**

**Defined Benefit Plans:** The Group provides for gratuity benefit under a defined benefit retirement scheme (the "Gratuity Scheme") as laid out by the Payment of Gratuity Act, 1972 of India covering eligible employees. Liabilities with regard to the Gratuity Scheme are determined by actuarial valuation carried out using the Projected Unit Credit Method by an independent actuary.

The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Present value of defined benefit obligation	As at 31 March 2024
Present value of the obligation at beginning of the year	134.66
Current service cost	64.89
Interest cost	9.76
Actuarial (gain)/loss on obligation	(40.89)
Benefits paid	-
<b>Present value of the obligation at the end of the year</b>	<b>168.43</b>

Expense recognised in the statement of profit and loss	Year ended 31 March 2024
Current service cost	64.89
Interest cost	9.76
Actuarial (gain)/ loss	(40.89)
<b>Total expense</b>	<b>33.76</b>

Movement in liability recognised in the balance sheet	As at 31 March 2024
Liability at the beginning of the year	134.66
Expense as recognised in the statements of profit and loss	33.76
Benefits paid	-
<b>Liability at the end of the year</b>	<b>168.43</b>

Current and non current classification	As at 31 March 2024
Current	2.93
Non-current	165.50

Actuarial assumptions	31 March 2024
Discount rate (p.a.) **	7.21%
Salary escalation rate (p.a.) ***	10.00%
Retirement age	60 years
Mortality rate	Indian Assured Lives Mortality (IALM) (2012-2014) Ult.

\*\* The discount rate is based on the market yields of Government bonds as at the balance sheet date.

\*\*\* The estimates of future salary increases is assumed keeping in view the inflation rate on a long-term basis.

Experience adjustment:	Year ended 31 March 2024
Actuarial loss / (gain) on obligations	(40.89)

**Details of present value of obligation, plan assets and experience adjustments:**

	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020
Present value of obligation	168.43	134.66	76.65	42.04	17.78
Fair value of plan assets	-	-	-	-	-
Deficit	168.43	134.66	76.65	42.04	17.78
Experience adjustments:					
On plan liabilities:- (gain) / loss	(40.89)	(13.80)	(0.56)	0.76	-
On plan assets:- gain / (loss)	-	-	-	-	-

Group has adopted Accounting Standard 15 "Employee Benefits" for the first time in the year 2019-20. Hence, the disclosures pertaining to earlier years are not required.

**(ii) Leave encashment**

The compensated absences cover the Group's liability for earned leave. The amount of the provision of ₹ 64.72 lakhs is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

**30 Related party disclosures**

In accordance with the requirements of Accounting Standard (AS) 18, 'Related Party Disclosures' as specified under Section 133 of the Act, read with (the Companies (Accounting Standards) Rules, 2021), the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are as follows:

**a. Names of related parties and description of relationship (with whom transactions have taken place)**

Description of relationship	Name of related parties
(i) Key management personnel	Mr. Tarun Sharma - Director Mr. Vikas Lachhwani - Director
(ii) Relatives of Key management personnel	Mrs. Vaishali Gupta

**b. Transactions with related parties**

Particulars	Year ended 31 March 2024
<b>Remuneration *</b>	
Mr. Tarun Sharma	132.18
Mr. Vikas Lachhwani	132.18
Mrs. Vaishali Gupta	68.84
<b>Reimbursement of expenditure</b>	
Mr. Tarun Sharma	17.04
Mr. Vikas Lachhwani	15.68
Mrs. Vaishali Gupta	12.19

**c. Balances with related parties (as at year-end)**

Particulars	As at 31 March 2024
<b>Amount payable</b>	
Mr. Tarun Sharma	106.48
Mr. Vikas Lachhwani	107.09
Mrs. Vaishali Gupta	23.09

\* The remuneration to KMP does not include provision for gratuity and leave encashment determined on actuarial basis

**31 Leases**

The Group has entered into operating lease agreements for office facilities and such leases are basically cancellable and non-cancellable in nature.

Lease rent expense recognised in the Statement of Profit and Loss for the year ended 31 March 2024 in respect of operating leases is ₹ 465.06 lakhs.

Certain non-cancellable operating leases extend upto a maximum of two years from their respective dates of inception. Maximum obligations on long term non-cancellable operating leases in accordance with the rentals stated in the respective agreements are as under:

Particulars	As at 31 March 2024
Not later than 1 year	243.00
Later than 1 year but not later than 5 years	147.00
Later than 5 years	

**32 Employee Stock Option Plan**

The Holding Company has implemented employee share-based payment plans for the key employees of the Holding Company. All the options issued by the Company are equity share based options which have to be settled in equity shares only. The shares to be allotted to employees under the Employee Stock Option Plan (ESOP) will be through fresh issue of equity shares by the Holding Company.

The Holding Company accounts for employee share-based payments using the fair value method. The fair value of the stock options issued by the Company to its employees for services rendered by them is measured as the amount of fair value of the Holding Company's options as on the date of grant. For ESOP, the Holding Company has recognised cost based on the guidance note on accounting for employee share-based payments, issued by the ICAI.

The fair value at grant date is determined using the Black-Scholes model which takes into account the exercise price, expected volatility, option's life, the share price at grant date, the expected dividend yield and the risk free interest rate for the term of the option.

**(i) Description of the share based payment plan is as follows:**

Plan	ESOP					
	16 October 2018	01 May 2019	01 May 2020	17 May 2021	14 January 2022	30 July 2022
Grant date						
Number of options	335	112	122	894	916	100
Exercise price (₹)	10	10	10	10	10	10
Vesting Period:	2 years	2 years	2 years	1 year	1 year	1 year
Value of shares as on grant date (₹)	8,302.00	8,302.00	27,598.52	28,551.00	95,862.00	95,733.61

Plan	ESOP	
	14 September 2022	Financial year 23-24
Grant date		
Number of options	150	607
Exercise price (₹)	47,955	10
Vesting Period:	4 Years	1- 4 yrs
Value of shares as on grant date (₹)	95,733.61	95,559.99

**(ii) Movement in shares options during the current year**

The following reconciles the shares options outstanding at the beginning and the end of the year:

ESOP Plan	Year ended 31 March 2024		Year ended 31 March 2023	
	Numbers of options	Weighted average exercise price	Numbers of options	Weighted average exercise price
Balance at beginning of year	2,629	10	2,379	10
Granted during the year	607	10	250	28,777
Forfeited during the year	(116)	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Surrendered during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>3,120</b>	<b>10*</b>	<b>2,629</b>	<b>2,745.55</b>
<b>Exercisable at the end of the year</b>	<b>2,515</b>	<b>-</b>	<b>2,379</b>	<b>-</b>

\* To whomsoever ESOPs were granted at a price higher than Rs10/- before 21 December 2023 were repriced by fixing the strike price as Rs10/-.

**(iii) The vesting pattern of the ESOP has been provided as below:**

Year of vesting	ESOP Plan 2018
F.Y. 2019-20	168
F.Y. 2020-21	224
F.Y. 2021-22	116
F.Y. 2022-23	1,871
F.Y. 2023-24	136
F.Y. 2024-25	196
F.Y. 2025-26	212
F.Y. 2026-27	149
F.Y. 2027-28	48

**(iv) Share based payment expenses / Share options outstanding account arising from employee share-based payment plans**

Particulars	2023-24
Share based payment expenses	211.94
Share options outstanding account	1,499.78



