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PEP TECHNOLOGIES PRIVATE LIMITED
U74999GA2015PTC015526

TENTH ANNUAL REPORT
FOR THE PERIOD FROM 1ST APRIL 2025 TO 31ST MARCH 2025
(2024 2025)



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 - **Annexure-II: AOC-1,** 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)
- **Independent Auditors' Report to Shareholders on the audit of the Standalone & Consolidated financial statements, along with**
 - Report under Companies (Auditor's Report) Order, 2020 provisions issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013; and
 - 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
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 - Balance Sheet
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 - 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



Registrar & Transfer Agents

KFin Technologies Limited

(formerly known as KFin Technologies Private Limited)

Phone No : +91 9381616972

Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500032



TEL: +91-9357933933

E-MAIL: woot@mcaffeine.com

WEBSITE: www.mcaffeine.com

www.peptechologies.in



STATUTORY AUDITORS

**M/s. Walker Chandio & 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. Tarun Sharma (DIN: 07264165)

Mr. Vikas Lachhwani (DIN: 02898317)

Mr. Niten Lalpuria (DIN: 07897970)



NOTICE OF TENTH ANNUAL GENERAL MEETING

SHORTER NOTICE is hereby given that the **TENTH Annual General Meeting** of the Members of **PEP TECHNOLOGIES PRIVATE LIMITED** will be held on **TUESDAY** the **30th** day of **September, 2025** at 04:00 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 CONSIDER, APPROVE, AND ADOPT THE (CONSOLIDATED AND STANDALONE) AUDITED ANNUAL ACCOUNTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025 CONSISTING OF 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**

To consider, approve, and adopt the (Consolidated and Standalone) Audited Annual Accounts of the Company for the financial year ended 31st March 2025 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.

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the Audited Annual Accounts of the Company for the financial year ended 31st March, 2025 consisting of 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 the said period as submitted be and are hereby approved and adopted.”

2. **TO CONSIDER AND APPROVE THE APPOINTMENT OF M/s. WALKER CHANDIOK & CO LLP, CHARTERED ACCOUNTANTS, AS THE STATUTORY AUDITOR OF THE COMPANY FOR A SECOND TERM OF FIVE YEARS FROM THE CONCLUSION OF ENSUING TENTH AGM TILL THE CONCLUSION OF THE FIFTEENTH AGM TO BE HELD IN THE YEAR 2030 (2025-26 TO 2029-30):**

“RESOLVED THAT pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto) and such other applicable provisions, if any M/s Walker ChandioK & Co LLP, Chartered Accountant, (FRN: 012879N) be and is hereby re-appointed as the Statutory Auditor of the Company for a further period of five years to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of Fifteenth Annual General Meeting at the remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

RESOLVED FURTHER THAT Mr. Tarun Sharma (DIN: 07264165) and Mr. Vikas Lachhwani (DIN: 02898317), Directors of the company be and are hereby severally authorized to take such steps, in relation to the above and to do all such acts, deeds, matters, and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary e-forms, etc. with Registrar of Companies.”

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modifications, the following resolution as **ordinary resolution**:

TO CONSIDER AND APPROVE APPOINTMENT OF MR. NITEN LALPURIA (DIN: 07897970) AS THE DIRECTOR OF THE COMPANY:

“**RESOLVED THAT** pursuant to the provisions of Section 152 of Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules, 2014 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force); and provisions contained in the Articles of Association of the Company, Mr. Niten Lalpuria Indian national having Director Identification Number (DIN) 07897970 allotted by the Ministry of Corporate Affairs who was appointed as Additional Director on the Board of Directors (Board) of the company with effect from 26.06.2025, in terms of section 161 of Companies Act, 2013 and who has consented, if appointed, to act as a Director of the Company, and who had also given a declaration to the Company that he is qualified to be appointed as Director of the Company, along with a further declaration that he has not encountered any of the disqualifications specified in Section 164 of the Companies Act, 2013 and that he is not required to obtain any security clearance from the Ministry of Home Affairs, Government of India, before seeking appointment as Director, be and is hereby inducted to the Board of Directors of the Company as Director, with immediate effect, i.e., from the date of passing of this Resolution.

RESOLVED FURTHER THAT Mr. Tarun Sharma (DIN: 07264165) and/ or Mr. Vikas Lachhwani (DIN: 02898317), or any Director of the Company be and is hereby authorised severally to:

- a. sign and submit Form DIR-12 along with necessary attachments, in accordance with the applicable provisions, if any, of the Companies Act, 2013, with the Registrar of Companies, Goa (through the portal of the Ministry of Corporate Affairs (www.mca.gov.in));
- b. update the Register of Directors and other concerned Registers, if any, maintained by the Company and to authenticate the same if and to the extent required;
- c. update the corporate profile about directors in respect of various registration/licensing/ statutory authorities, Company's Bankers and all such other places as may be required or necessary; and
- d. To present the Certified True Copy of this resolution to any concerned department;
- e. to obtain any approvals, permissions, sanctions which may be necessary or desirable, as they may deem fit;
- f. to do all acts, deeds and matters as may be required to give effect to the above resolutions in the best interest of the Company and such other actions from time to time as may be deemed fit and proper by them and that all such actions taken by them in pursuance hereof be considered as having specific approval of the directors without any need to take any fresh approval of the directors/members for this purpose.”

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

sd/-

Place: Mumbai
Date: 27/09/2025

Tarun Sharma
Director (DIN: 07264165)
306, Liliium 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, Circular No. 03/2025 dated 22/09/2025 (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/rtvj-kjn-urq>

Meeting ID: 1379878736

Password: 5cR5Ru

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
 - 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

sd/-

Tarun Sharma

Director (DIN: 07264165)

306, Liliun Building

Nahar Amrut Sakthi, Chandivali

Andheri East, Mumbai – 400072

Maharashtra, India

Place: Mumbai
Date: 27/09/2025

EXPLANATORY STATEMENT U/S 102 OF THE COMPANIES ACT, 2013**ITEM NO.3: TO CONSIDER AND APPROVE APPOINTMENT OF MR. NITEN LALPURIA (DIN: 07897970) AS THE DIRECTOR OF THE COMPANY:**

It is informed that, pursuant to the provisions of Section 152 of the Companies Act, 2013 the directors shall be appointed by the members in the General Meeting of the company. In view of the same, Mr. Niten Lalpuria will be appointed by the members at the ensuing Annual General Meeting of the company. The Board of directors has appointed Mr. Niten Lalpuria (DIN: - 07897970) as an Additional Director of the Company w.e.f. 27th June 2025.

Brief details of Mr. Niten Lalpuria is given below for reference of the members:

S. No.	Particulars
A	Nationality- Indian
B	Date of appointment as Additional Director- 27.06.2025
C	Occupation- Employment
D	Email Id- niten@paragonpartners.in
E	Mobile no.- +91 91673 44151
F	Date of birth: 21-05-1979
G	Address: 202, Shiv Niwas, Dixit Cross Road No. 1, Near Nava Samaj Mandal, Vileparle (East), Mumbai, Maharashtra – 400057
H	Brief Profile: Mr. Niten Lalpuria is a Partner at Paragon Partners, a mid-market private equity fund based in India. He holds an MBA from IIM Ahmedabad, a Master's in Chemistry from Ohio University, and a Bachelor's in Chemical Engineering from Mumbai University. He brings with him over 20 years of rich experience in investing, P&L management, business operations, and strategic consulting.

The Company has received consent to act as a Director of the Company in Form DIR 2 and a declaration that he is not disqualified from being appointed as a Director of the Company in Form DIR 8.

Relevant documents w.r.t. regularization (change in designation from Additional Director to Director) of Mr. Niten Lalpuria are available at the registered office of company for inspection on all days between 10.00 a.m. and 05.00 p.m.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 the directors shall be appointed by the members through Ordinary Resolution in the General Meeting of the company. In view of the same, Mr. Niten Lalpuria shall be appointed as Director by the members in the Annual General Meeting of the company.

Disclosure of Interest of Directors and others, as required under Section 102(1) read with the Proviso to Section 102(2) of the Companies Act, 2013:

- With respect to the Directors, none of the Directors of the Company are deemed to be interested or concerned, financially or otherwise, in passing the Resolution covered under Item no.3;
- The Company is not having any Manager as defined under the Companies Act, 2013, and hence his/her interest or concern in passing this Resolution does not arise;
- Section 203 of the Companies Act, 2013 with regard to appointment of Key Managerial Personnel is not applicable to the Company. Concern or interest of other Key Managerial Personnel appointed by the Company, if any, whether financially or otherwise in passing the above Resolution does not arise;
- As per the annual disclosures of interest provided to the Company by the Directors of the Company, it may be stated that none of their relatives is deemed to be concerned or interested, financially or otherwise in respect of this agenda. Since the Company did not have any Manager, interest of their relatives in this Resolution did not arise.



PEP TECHNOLOGIES PRIVATE LIMITED

House No 1/302/16, 7th Floor, Patto Area, Panaji, Panjim,

North Goa, Goa - 403001 | Mobile Number: 9357933933

CIN No. - U74999GA2015PTC015526 | GST No. - 30AAICP2804J1ZP

Email ID: woot@mcaffeine.com | Website: www.mcaffeine.com

Website: www.peptechnologies.in

Consent by Shareholder for Shorter Length of Notice of General Meeting

[Pursuant to Section 101(1) of the Companies Act, 2013]

TENTH ANNUAL GENERAL MEETING – SEPTEMBER 30, 2025

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
- _____ Nos. Series C5 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 Tenth Annual General Meeting at shorter notice on _____, the __day of _____, ____at _____.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 2025

DIRECTORS' REPORT

Dear Members,

Upon completion of another successful year of the Company's operations, the Board of Directors ("BOD") hereby present the Tenth Annual Report along with the Audited Financial Statements for the financial year ended 31st March 2025.

FINANCIAL PERFORMANCE SUMMARY - STANDALONE:

The Company's financial performance for the financial year ended 31st March, 2025 is summarized below:

(INR – In Lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from Operations	23,747.77	19,301.31
Other Income	1,957.16	891.07
Total Income	25,704.93	20,192.38
Total Expenses (Excluding Tax and Exceptional Items)	(24,991.18)	28,733.91
Profit/ (Loss) before Exceptional Items and Tax	713.75	(8,541.53)
Exceptional Items –	(515.94)	--
Profit Before Tax	197.81	(8,541.53)
Less: Current Tax	--	--
Less: Deferred Tax	--	--
Less: Taxes of Earlier year	--	--
Profit/(Loss) for the period	197.81	(8,541.53)
Earnings Per Share: Basic & Diluted	0.01(Basic) 0.00 (Diluted)	(00.33) (Basic) (0.10) (Diluted)

STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

The Audited Financial Statements of the Company are drawn up, both on standalone and consolidated basis, for the FY 2024-25, in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 (Ind- AS) notified under Section 133 of the Companies Act, 2013 ("Act"). The Consolidated Financial Statements have been prepared based on the financial statements received from subsidiaries, as approved by their respective Boards.

FINANCIAL PERFORMANCE SUMMARY – Consolidated

(INR – In Lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from Operations	23,747.77	19,301.31
Other Income	308.92	463.94

Total Income	24,056.59	19,765.25
Total Expenses (Excluding Tax and Exceptional Items)	(25,303.78)	(29,029.65)
Profit/ (Loss) before Exceptional Items and Tax	(1,247.19)	(9,264.40)
Exceptional Items – Income	(515.94)	--
Profit Before Tax	(1,763.13)	(9,264.40)
Less: Current Tax	--	--
Less: Deferred Tax	--	--
Less: Taxes of Earlier year	--	--
Profit/(Loss) for the period	(1,763.13)	(9,264.40)
Earnings Per Share: Basic & Diluted	(0.07)	(0.36)

TRANSFER TO RESERVES

As your Company does not have any profits, your directors are unable to propose transferring any amounts to the reserves. Further balance at Reserve and Surplus stood at Rs. 3,767.11 (Standalone) and Rs. 1,083.35 (Consolidated).

RESULTS OF OPERATIONS

During the year under review, Company has recorded the revenue of Rs. 23,747.77 (In Lakhs) as compared to revenue from operations for the financial year ended 31st March, 2024 i.e. 19,301.31 (In Lakhs), which has been increased to Rs. 4,4446.46 (In Lakhs) as compared to previous financial year. The total expenses of the Company were Rs. 24,991.48 (In Lakhs).

STATE OF COMPANY'S AFFAIRS

Your Company continues to operate as a brand innovator and marketer in the fast-growing Indian beauty and personal care industry. Your Company has taken significant steps during Financial Year 2024–25 to expand its brand portfolio, strengthen market presence, and diversify consumer offerings.

The flagship brand mCaffeine, India's first caffeinated personal care brand, further consolidated its leadership in FY 2024–25 with an extensive product portfolio across skin, hair, and body care. The brand continued to benefit from its strong digital-first positioning, presence across leading e-commerce platforms, and growing penetration in modern trade outlets. mCaffeine's recall as a youth-centric, aspirational brand remains high, supported by sustained marketing campaigns, influencer-led communication, and repeat purchase behavior from its loyal consumer base.

During the year, the Company launched a significant brand extension under the umbrella of mCaffeine — **Fien by mCaffeine**. This sub-brand was created to appeal to the emerging Gen Z cohort, which is increasingly seeking sensorial, playful, and trend-driven formulations in personal care.

Initial market reception of Fien has been promising, with strong uptake in early months of launch through direct-to-consumer channels and key e-commerce partners. The sub-brand has expanded the Company's consumer base by attracting younger audiences and increasing overall brand engagement. Importantly, Fien has allowed the Company to test new product categories and formats, thereby strengthening its innovation pipeline. The Directors believe that Fien will serve as a key growth lever in the coming years by complementing mCaffeine's established position and ensuring portfolio diversification.

The Company's newly incubated brand **Hyphen**, co-created with celebrity partner Ms. Kriti Sanon, has quickly established itself as a disruptor in India's direct-to-consumer skincare ecosystem. The brand's success has been driven by:

- A differentiated positioning focused on simple yet effective skincare formulations;
- Rapid adoption across e-commerce marketplaces and its own digital storefront;
- High customer retention, with management-reported high repeat purchase rate; and
- Strong brand visibility through targeted digital campaigns and influencer engagement.

Hyphen's trajectory demonstrates the Company's ability to incubate and scale new-age consumer brands by leveraging its expertise in digital marketing, supply chain management, and consumer engagement. The Directors view Hyphen as a proof point of PEP's capability to replicate the success of mCaffeine across new concepts and categories.

During the year under review, the Company's strategic priorities remained centered on:

- **Portfolio diversification** through new launches such as Fien and the scaling up of Hyphen;
- **Innovation** in product formulations and packaging to stay ahead of evolving consumer trends;
- **Customer loyalty and retention**, with data-driven initiatives to increase repeat purchase rates across brands;
- **Profitability focus**, through operational efficiencies, disciplined marketing spends, and improved gross margins.

While the Indian beauty and personal care industry remains highly competitive with the entry of both domestic and global players, the Directors are confident that the Company's portfolio of differentiated brands, innovation-led culture, and consumer-first approach position it well for sustainable long-term growth. The launch of Fien by mCaffeine and the exceptional scale-up of Hyphen underscore the Company's strength in building and nurturing brands that resonate deeply with India's young and aspirational consumers.

The Board remains committed to driving shareholder value creation by balancing high-growth opportunities with prudent financial management and governance.

DIVIDEND

The Board of Directors have not recommended any dividend on the equity shares during the period under review.

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 2024-25 and the date of this Report that affected the financial position of the Company. However, the Company has incorporated its wholly owned subsidiary company (WOS) named **BLUSHD BEAUTY PRIVATE LIMITED** on 01 August 2025 to carry out the business activities in the similar industry. 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.

CHANGE IN CAPITAL STRUCTURE AND ISSUE OF SECURITIES

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, 2025 and till the date of signing of this report, 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 1,47,047 (One Lakh Forty Five Thousand and Forty Seven) Preference Shares of Rs. 10/- (Rupees Ten only) each.

The Share Capital structure of the Company as on March 31, 2025, 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, 2024	10,20,000	18,00,000	2,66,170	CCPS: 1,02,830
				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
				Series C3 CCPS: 94,320
				Series C4 CCPS: 14,040
Series C5 CCPS: 18,730				
At the end of the year March 31, 2025	10,20,000	18,00,000	2,66,170	1,4,70,470/-

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 2024-25 and up to date of signing of this report, your Company had not made any issue or allotment of any securities.

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.

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 2023-24	For the FY 2024-25
(a) options granted	Options granted during FY 2023-24: 607	Options granted during FY 2024-25: 718
	Total Options granted as on March 31,2024: 3,210	Total Options granted as on March 31,2025: 3,438
	Options vested during FY 2023-24: 136	Options vested during FY 2024-25: 78

(b) options vested	Total Options Vested as on March 31, 2024: 2,515	Total Options Vested as on March 31, 2025: 2,773
(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	Rs. 10/-	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	3,120	3,438
(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.

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.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, the Company had one subsidiary, namely *Kreative Beauty Private Limited*. Further, the Company had been issued 6803 Partly Paid up Equity Shares into his subsidiary Company named as *Kreative Beauty Private Limited* and holding 63.25% into its subsidiary Company.

Furthermore, post ending of financial year 2024-2025, *Blushd Beauty Private Limited*, incorporated on 1st August 2025, had become a wholly owned subsidiary of the Company.

Apart from the above, no other company has become or ceased to be a Subsidiary, Joint Venture or Associate Company of the Company during the financial year under review and up to the date of signing of this Report.

MAINTENANCE OF COST RECORDS

Maintenance of Cost Audit Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company and accordingly such accounts and records are not required to be made and maintained.

Also, Cost Audit is not applicable to the Company.

WEB LINK, IF ANY, WHERE ANNUAL RETURN REFERRED TO IN SUB-SECTION (3) OF SECTION 92 HAS BEEN PLACED:

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/>

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.

DIRECTORS RESPONSIBILITY STATEMENT

In pursuance of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

- I. In the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable Accounting Standards read with requirements set out under Schedule III of the Companies Act, 2013 (the "Act") have been followed along with there were no material departures;
- II. The directors have 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.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 IN THE FORM AOC-2

During the year 2024-25, the Company paid remuneration to Mrs. Vaishali Gupta, Chief Growth Officer of the Company, relative of the Director of the Company who had been associated with the Company since 01 October 2015 and became relative of a Director with effect from 19 January 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 of Directors and Members.

Moreover, as required by the relevant provisions of 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 2 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 25th April 2024.

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.

INTERNAL FINANCIAL CONTROLS

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.

BOARD OF DIRECTORS OR KEY MANAGERIAL PERSONNEL

As on the closure of financial year ended March 31, 2025, 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

**Ceased to be director w.e.f. 29 March 2025*

During the financial year under review and upto the date of signing of this report, following changes were made in the composition of the Board of Directors:

Mr. Mukund Anil Khetan resigned from the position of Director with effect from 29 March 2025. The Board places on record its appreciation for the valuable contributions made by Mr. Khetan during his tenure.

Mr. Niten Lalpuria was appointed as an Additional Director of the Company with effect from 27th June 2025. 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.

AUDITOR AND AUDITOR'S REPORT

STATUTORY AUDITORS

M/s. Walker Chandiok & 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 tenure of the Statutory Auditors is coming to an end at the conclusion of the Tenth Annual General Meeting, the Board of Directors, has proposed the re-appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company for a further term of five (5) consecutive years from the conclusion of the Tenth Annual General Meeting till the conclusion of the Fifteenth Annual General Meeting to be held in the year 2030, subject to the approval of the shareholders at the ensuing Annual General Meeting.

BOARD'S COMMENTS ON THE AUDITOR'S REPORT

The Auditors have not made any qualifications, reservations, adverse remarks, or disclaimers in their report on the financial statements for the financial year ended 31 March 2025. Therefore, no further explanation is required in this regard.

APPOINTMENT OF INTERNAL AUDITOR

During the period under the review, through the Board Meeting held on 26 March 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.

DISCLOSURES

MEETINGS OF THE BOARD OF DIRECTORS AND DIRECTORS' ATTENDANCE THEREAT:

During the year under review, the Board of Directors met Five (5) times on below mentioned dates:

ATTENDANCE OF THE DIRECTORS IN THE BOARD MEETINGS

Date of Board Meeting	Tarun Sharma	Vikas Lachhwani	Abhishek Goenka	Harminder Sahni	Mukund Anil Khetan
27 th June 2024	Absent	Present	Absent	Absent	Present
28 th September 2024	Present	Present	Absent	Present	Present
13 th December 2024	Present	Present	Absent	Absent	Present
19 th February 2025	Absent	Present	Absent	Present	Present
29 th March 2025	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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

During the year 2024-25, your Company has not granted any loans specified under Section 186 of the Companies Act 2013 during the year 2024-25 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 2024-25, your Company had 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 further, during this year, the Company has made further investment of Rs. 30,00,00,000/- (Rupees Thirty Crore) on partly paid-up basis wherein 6803 were allotted to the Company and accordingly acquired majority stake of 63.25% of that Company on fully diluted basis and other statutory information of this Subsidiary information as provided in AOC-1. 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.

FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OTHER THAN THOSE WHICH ARE REPORTABLE TO CENTRAL GOVERNMENT:

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.

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. The details are as follows:

S. No.	Particular	Number
1.	Number of complaints of Sexual Harassment received in the Year	NIL
2.	Number of Complaints disposed off during the year	NIL
3.	Number of cases pending for more than ninety days	NIL

The Company remains committed to providing a safe and harassment-free workplace environment for all employees.

During the financial year 2024-25, 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.

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 may be 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 2024-25 (INR – In Lakh)	FY 2023-24 (INR – In Lakh)
Foreign exchange earnings	42.78	172.48
Expenditure in foreign currency		
-Advertising and sales promotion expenses	0.61	0.91
-Web hosting and server support expenses	10.50	80.37
-Professional fees	1.43	24.47
-Travelling and conveyance	2.08	6.10

DISCLOSURE UNDER THE MATERNITY BENEFIT ACT, 1961

The Company has duly complied with the provisions of the Maternity Benefit Act, 1961, as amended, and has extended all applicable benefits to its women employees, including leave, maternity benefits, and related facilities as mandated under the law.

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 2024-25.

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.

SHIFT OF REGISTERED OFFICE

The registered office of the Company continues to be at House No 1/302/16, 7th Floor Patto Area, Panaji, Panjim, North Goa, Panaji, Goa, India, 403001. There has been no change in the registered office during the financial year ended 31-03-2025. However, during the period, the Company has initiated the shifting of registered office from Goa to Mumbai and presently it is in process.

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.

APPOINTMENT OF PERSON PURSUANT TO RULE 9 OF COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

The Company had appointed Mr. Tarun Sharma as responsible for furnishing and extending co-operation for providing information to the Registrar or any other authorized officer with respect to beneficial interest in the Shares of the Company

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.

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 2025 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;
- Provision in relation to downstream investment doesn't apply on our Company under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("NDI Rules"), amended from time to time;

- Revision of Financial statements or reports of earlier years as provided in Section 131(1) of the Companies Act, 2013;
- 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

sd/-

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

Place: Mumbai
Date: 27 September 2025

sd/-

Vikas Lachhwani
Director (DIN: 02898317)
Villa R-2, Chaitanya Samrpan
Kannamangala Hoskote
White Field Road,
Bangalore – 560067,
Karnataka, India

Place: Bangalore
Date: 27 September 2025

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)

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		
1	Details of contracts or arrangements or transactions not at arm's length basis	
(a)	Name(s) of the related party and nature of the relationship	NA
(b)	Nature of contracts/arrangements/transactions	NA
(c)	Duration of the contracts/arrangements/transactions	NA
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
(e)	Justification for entering into such contracts or arrangements or transactions	NA
(f)	Date(s) of approval by the Board	NA
(g)	Amount paid as advances, if any:	NA
(h)	The date on which the special resolution was passed in the general meeting as required under first proviso to section 188	NA
2	Details of material contracts or arrangements or transactions at arm's length basis	
(a)	Name(s) of the related party & Nature of the relationship	Related Party: Mrs. Vaishali Gupta Nature of Relationship: Wife of Mr. Tarun Sharma, Director (Got appointed prior to becoming related)
(b)	Nature of contracts/arrangements/transactions	Employment Contract - Remuneration
(c)	Duration of the contracts/arrangements/transactions	Continuous
(d)	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. 80/- (In Lakh) – Further, remuneration has been increased to INR 1 cr. as CTC w.e.f. 01-01-2025
(e)	Date(s) of approval by the Board, if any:	17-Feb-2020 as modified on 30-Jul-2022 and modified on 19-Feb-2025
(f)	Amount paid as advances, if any:	-
(a)	Name(s) of the related party & Nature of the relationship	Related Party: Kreative Beauty Private Limited Nature of Relationship: Mr. Tarun Sharma, Mr. Vikas Lachhwani and Mr. Mukund Anil Khetan – Directors of the Company and Subsidiary Company
(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;
(c)	Duration of the contracts / arrangements/transactions	Continuous up to March 31, 2025 and subject to further approvals thereafter;
(d)	Salient terms of the contracts or transactions including the value, if any:	Arrangements
(e)	Date(s) of approval by the Board, if any:	26-03-2024
(f)	Amount paid as advances, if any:	-

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

sd/-

Tarun Sharma
Director (DIN: 07264165)
306, Liliun Building
Nahar Amrut Sakthi, Chandivali
Andheri East, Mumbai – 400072
Maharashtra, India
Place: Mumbai
Date: 27 September 2025

sd/-

Vikas Lachhwani
Director (DIN: 02898317)
Villa R-2, Chaitanya Samrpan
Kannamangala Hoskote
White Field Road, Bangalore - 560067
Karnataka, India
Place: Bangalore
Date: 27 September 2025

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	Name	FV	No. of Shares	Nature Equity/CCPS
		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	150000	CCPS
		PEP Technologies Pvt. Ltd	10 (partly Paid up)	6803	EQ
(e)	Reserves & surplus	(2,208.63) (In Lakh)			
(f)	Total assets	2,499.17 (In Lakh)			
(g)	Total Liabilities	2499.17 (In Lakh)			
(h)	Investments	Investment by Holding Company is stated in point (d) above.			
(i)	Turnover	5038.39 (In Lakh)			
(j)	Profit before taxation	(1,290.57) (In Lakh)			
(k)	Provision for taxation	NA			
(l)	Profit after taxation	NA			
(m)	Proposed Dividend	NA			
(n)	% of shareholding	63.25% (upon conversion on fully diluted-basis)			

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

sd/-

Tarun Sharma
Director (DIN: 07264165)
306, Liliun Building
Nahar Amrut Sakthi, Chandivali
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White Field Road, Bangalore - 560067
Karnataka, India
Place: Bangalore
Date: : 27 September 2025

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 Standalone Balance Sheet as at 31 March 2025, the Standalone Statement of Profit and Loss and the Standalone 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 2025, and its profit 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 standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Standalone 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 Directors' Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Directors' Report is not made available to us at the date of this auditor's report. 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 standalone 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 standalone 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 standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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) 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), in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.;
 - c) The standalone 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 2025 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 standalone financial statements of the Company as on 31 March 2025 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 2025;
 - 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 2025.;
 - 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 2025.;
 - iv.
 - a. 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 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(l) 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 2025.

- vi. As stated in Note 39 to the standalone financial statements and based on our examination which included test checks, except for instance mentioned below, the Company, in respect of financial year commencing on 01 April 2024, has used three 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 all relevant transactions recorded in the software. Further, during the course of our audit, other than the consequential impact of the exceptions given below, we did not come across any instance of audit trail feature being tampered with, . Furthermore, other than the consequential impact of the exceptions given below, the audit trail has been preserved by the Company as per the statutory requirements for record retention from the date audit trail was enabled:
- a. For one accounting software used to maintain the company's accounting records the audit trail (edit log) could not sufficiently demonstrate whether the same was enabled and operated effectively throughout the year. Further, the audit trail pertaining to financial year 2023-24 has not been preserved by the Company as per the statutory requirements for record retention.
- b. For one accounting software used for generation of sales order, in absence of sufficient evidence at the application level , we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions and preserved as per the statutory requirements for record retention. Further, in the absence of information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with AICPA Attestation Standards), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year and preserved as per the statutory requirements for record retention.

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

Yashwant M. Jain
Partner
Membership No.: 118782

UDIN: 25118782BMOEOK5083

Place: Mumbai
Date: 27 September 2025

Annexure II

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 2025, 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 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 ('ICAI'). 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 Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements .

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

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

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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 standalone financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to standalone 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 ICAI

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

Yashwant M. Jain
Partner
Membership No.: 118782

UDIN: 25118782BMOEOK5083

Place: Mumbai
Date: 27 September 2025

Annexure I 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 2025

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 Company has a regular programme of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification which have been properly dealt with in the books of account.
- (c) 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 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 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 36 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores, by banks and financial institutions on the basis of security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and such statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit.
- (iii) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Further, the company has made investments into the 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 nature of loans during the year. However, the Company has made investment in one entity amounting to Rs. 1,125.07 lakhs (year end balance Rs. 2,000.17 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.

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

- (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/ services / business activities. 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, 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/financial institution 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, money raised by way of term loans were applied for the purposes for which these were obtained.
 - (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.
 - (f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

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

- (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 sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, 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.
- (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) (a) 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 Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current financial year but had incurred cash losses amounting to Rs. 8,497.39 lakhs in the immediately preceding financial year.
- (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 realisation 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.

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

- (xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, 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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782

UDIN: 25118782BMOEOK5083

Place: Mumbai
Date: 27 September 2025

PEP Technologies Private Limited
Standalone Balance Sheet as at 31 March 2025
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	Notes	As at 31 March 2025	As at 31 March 2024
Equity and liabilities			
Shareholders' funds			
Share capital	3	17.37	17.37
Reserves and surplus	4	3,767.11	3,232.30
		3,784.48	3,249.67
Non-current liabilities			
Long term borrowings	5(a)	133.33	-
Long-term provisions	5(b)	158.01	165.50
		291.34	165.50
Current liabilities			
Short term borrowings	6	1,422.39	2,106.94
Trade payables	7		
- total outstanding dues of micro and small enterprises		604.87	615.16
- total outstanding dues of creditors other than micro and small enterprises		5,189.70	3,713.70
Other current liabilities	8	614.89	815.01
Short-term provisions	9	1,406.32	1,542.17
		9,238.17	8,792.98
TOTAL		13,313.99	12,208.15
Assets			
Non-current assets			
Property, plant and equipment and Intangible Asset			
(i) Property, plant and equipment	10	107.14	130.79
(ii) Intangible assets	11	37.79	60.09
Non-current investments	12	2,000.17	875.10
Deferred tax assets (net)	13	-	-
Long term loans and advances	14	195.77	248.11
		2,340.87	1,314.09
Current assets			
Inventories	15	2,758.04	2,114.40
Trade receivables	16	2,774.17	2,824.89
Cash and bank balances	17	2,689.32	2,961.67
Short term loans and advances	18	1,839.81	2,504.99
Other current assets	19	911.78	488.11
		10,973.12	10,894.06
TOTAL		13,313.99	12,208.15

Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information are an integral part of these standalone financial statements

1 to 41

This is the Standalone 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

SD/-
Yashwant M. Jain
Partner
Membership No.: 118782

SD/-
Tarun Sharma
Director
DIN: 07264165

SD/-
Vikas Lachhwani
Director
DIN: 02898317

Place: Mumbai
Date: 27 September 2025

Place: Mumbai
Date: 27 September 2025

Place: Bangalore
Date: 27 September 2025

PEP Technologies Private Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2025
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Revenue			
Revenue from operations	20	23,747.77	19,301.31
Other income	21	1,957.16	891.07
Total income		25,704.93	20,192.38
Expenses			
Purchase of traded goods	22	9,848.71	6,727.93
Changes in inventories of traded goods	23	(643.64)	(60.65)
Employee benefits expense	24	2,661.90	3,854.54
Finance costs	25	122.57	336.50
Depreciation and amortisation expense	26	41.40	44.14
Other expenses	27	12,960.24	17,831.45
Total expenses		24,991.18	28,733.91
Profit/ (Loss) before tax and Exceptional Item		713.75	(8,541.53)
Exceptional Item	38	(515.94)	-
Profit/ (Loss) before tax		197.81	(8,541.53)
Tax expense			
Current tax		-	-
Deferred tax charge		-	-
		-	-
Profit/ (Loss) for the year		197.81	(8,541.53)
Earnings per equity share (Nominal value of shares is ₹ 10 each)			
Basic (in ₹ lakhs)	28	0.01	(0.33)
Diluted (in ₹ lakhs)		0.00	(0.10)
Face value per share (in ₹)		10.00	10.00

Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information are an integral part of these standalone financial statements

1 to 41

This is the Standalone 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

SD/-
Yashwant M. Jain
Partner
Membership No.: 118782

SD/-
Tarun Sharma
Director
DIN: 07264165

SD/-
Vikas Lachhwani
Director
DIN: 02898317

Place: Mumbai
Date: 27 September 2025

Place: Mumbai
Date: 27 September 2025

Place: Bangalore
Date: 27 September 2025

PEP Technologies Private Limited
Standalone Cash Flow Statement for the year ended 31 March 2025
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	Year ended 31 March 2025	Year ended 31 March 2024
Cash flow from operating activities		
Profit/ (Loss) before tax	197.81	(8,541.53)
Adjustments for:		
Depreciation and amortization expense	41.40	44.14
Loss on sale of property, plant and equipment	12.30	-
Interest on overdraft facility from bank	41.98	278.58
Interest on short term borrowings	59.55	48.51
Other receivables written off	0.87	32.38
Share based payment expenses	337.00	211.94
Allowances for doubtful debts	14.91	62.34
Interest on income tax refund	(6.36)	(4.35)
Interest income on fixed deposits	(32.68)	(452.02)
Operating Profit/ (Loss) before working capital changes	666.78	(8,320.01)
Adjustments for :		
Increase in inventories	(643.64)	(60.65)
Decrease/ (increase) in trade receivables	35.82	(450.56)
Decrease/ (increase) in loans and advances and other assets	293.14	(391.64)
Increase in trade payables, provisions and other liabilities	1,136.19	3,072.66
Cash from/(used) in operating activities	1,488.29	(6,150.20)
Income taxes paid	11.77	(20.91)
Net cash from/(used) in operating activities (A)	1,500.06	(6,171.11)
Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	(7.74)	(30.22)
Investment in subsidiary	(1,125.07)	(875.10)
Investment in fixed deposits	(220.09)	5,458.01
Interest received	27.12	642.85
Net cash (used)/from in investing activities (B)	(1,325.78)	5,195.54
Cash flow from financing activities		
Proceeds from issue of shares	-	4,070.69
Proceed from long term borrowings (net)	500.00	-
Proceeds/ (Repayment) from short term borrowings (net)	(1,051.23)	(950.61)
Interest paid	(115.50)	(308.90)
Net cash (used)/from generated from financing activities (C)	(666.73)	2,811.18
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(492.44)	1,835.61
Cash and cash equivalents at the beginning of the year	2,661.67	826.06
Cash and cash equivalents at the end of the year	2,169.23	2,661.67
Components of cash and cash equivalents (Refer note 17)		
Cash in hand	2.65	0.01
Balances with banks		
- Current accounts	2,166.58	2,661.66
	2,169.23	2,661.67

Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information are an integral part of these standalone financial statements

1 to 41

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

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

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

SD/-
Yashwant M. Jain
Partner
Membership No.: 118782
Place : Mumbai
Date: 27 September 2025

SD/-
Tarun Sharma
Director
DIN: 07264165
Place : Mumbai
Date: 27 September 2025

SD/-
Vikas Lachhwani
Director
DIN: 02898317
Place: Bangalore
Date: 27 September 2025

PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2025

Company Overview

PEP Technologies Private Limited (the 'Company') is a private limited company (CIN No. U74999GA2015PTC015526) domiciled in India and incorporated under the provisions of the Companies Act, 2013 (the 'Act') on 14th September, 2015. The Company is primarily engaged in trading of caffeine based cosmetic and allied products.

1. Basis of preparation

The standalone financial statements have been prepared in accordance with the generally accepted accounting principles (GAAP) in India under the historical cost convention on accrual basis. These standalone financial statements have been prepared to comply in all material aspects with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with (the Companies (Accounting Standards) Rules, 2021 and other relevant provisions of the Act.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on nature of products, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2. Significant accounting policies

a. Use of estimates

The preparation of the standalone financial statements in conformity with GAAP requires management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the standalone financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, provision for obsolete inventory, deferred tax asset and the useful lives of property, plant and equipment and intangible assets.

Management believes that the estimates made in the preparation of standalone financial statements are prudent and reasonable. Actual result could differ from these estimates. Any revision to accounting estimates is recognized prospectively, in the period in which revisions are made.

b. Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

Revenue from sale of product is recognized when the significant risks and rewards of ownership in goods have been transferred to the buyer and the seller retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

c. Property, plant and equipment (Tangible assets)

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses, if any. Acquisition cost comprises of purchase price and directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, plant and equipment, which are carried at cost, are recognized in the statement of profit and loss.

d. Intangible assets

Intangible assets are stated at acquisition cost, less any accumulated amortization and accumulated impairment losses, if any.

e. Depreciation and amortization

Depreciation on property, plant and equipment is provided under the straight-line method over the useful life of the assets as specified under Part C of Schedule II of Companies Act, 2013. Depreciation is calculated pro-rata from / to the date of addition / deletion.

Type of asset	Estimated useful life of asset
Furniture and fittings	10 years
Office equipment	5 years
Computers	3 years
Plant and machinery	15 years

Amortisation on intangible assets is provided at an estimated useful life of 3 years for software, 4 years for trademark and 5 years for design plan.

Impairment of assets

Assessment is done at each reporting date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

f. Other income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rates applicable.

g. Inventories

Inventories are valued at lower of cost and net realizable value; cost is determined using first in first out (FIFO) method. Cost comprise all cost of purchase and other costs incurred in bringing the inventories to their present location and condition

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

h. Foreign currency transactions and translation

The reporting currency of the Company is Indian Rupee.

Initial recognition

Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2025

Exchange differences

All exchange differences arising on settlement / translation of foreign currency monetary items are recognized in the statement of profit and loss and related assets and liabilities are accordingly restated adopting the year and rates.

i. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payment are classified as an expense in the statement of profit and loss on a straight-line basis over the lease term.

j. Retirement and other employee benefits

Salary, bonus and other short term employee benefits are recognized as an expense during the period in which the services are received by the Company. Contribution to the recognized provident fund and employees' state insurance scheme (ESIC) which is defined contribution scheme, is charged to the statement of profit and loss.

Gratuity

Provision for gratuity is based on actuarial valuation of liability, certified by an actuary.

The Company provides for gratuity, a defined benefits plan (the "**Gratuity Plan**") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan, which is unfunded, provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

k. Provisions and contingencies

Provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

l. Taxes on income

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act, 1961. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year including reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent it has become reasonably certain or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realised.

m. Share-based compensation / payments

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

PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2025

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.

n. Borrowing costs

Borrowing cost that are not related to qualifying assets are charged to Statement of Profit and Loss.

o. Segment reporting

The activities of the Company comprise of only one business segment i.e., “trading of cosmetic and allied products”. The Company operates in only one geographical segment i.e. India. Hence, the Company's standalone financial statements are reflective of the information required by Accounting Standard 17, “Segment Reporting” notified under the Act.

p. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in hand. The Company considers all highly liquid investments with an original maturity of three months or less from date of purchase, to be cash equivalent.

q. Earnings per share

Basic earnings per share are computed by dividing net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing net profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

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PEP Technologies Private Limited

Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information

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

3 Share capital

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of ₹ 10 each	1,02,000	10.20	1,02,000	10.20
0.001% Compulsory convertible preference shares (CCPS) of ₹ 10 each	1,80,000	18.00	1,80,000	18.00
	2,82,000	28.20	2,82,000	28.20
Issued, subscribed and fully paid up shares:				
Equity Shares of ₹ 10 each	26,617	2.66	26,617	2.66
0.001% Seed Compulsory convertible preference shares of ₹ 10 each	10,283	1.03	10,283	1.03
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	9,432	0.94
0.001% Series C4 Compulsory convertible preference shares of ₹ 10 each	1,404	0.14	1,404	0.14
0.001% Series C5 Compulsory convertible preference shares of ₹ 10 each	1,873	0.19	1,873	0.19
	1,73,664	17.37	1,73,664	17.37
a) Reconciliation of share capital				
(i) Equity Shares of ₹ 10 each (Refer Note (c) (i))				
At the beginning of the year	26,617	2.66	25,333	2.53
Issued during the year	-	-	1,284	0.13
Balance at the end of the year	26,617	2.66	26,617	2.66
* During the previous year, Seed CCPS 1,284 share were converted to 1,284 equity shares at 1:1 ratio.				
(ii) Seed Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	10,283	1.03	11,567	1.16
Issued during the year	-	-	-	-
Converted during the year	-	-	(1,284)	(0.13)
Balance at the end of the year	10,283	1.03	10,283	1.03
(iii) Series A Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
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	9,352	0.94	9,352	0.94
(iv) Series A1 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
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	8,085	0.81	8,085	0.81
(v) Series B Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
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	23,217	2.32	23,217	2.32
(vi) Series B1 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
Issued during the year	-	-	-	-
Balance at the end of the year	16,135	1.61	16,135	1.61

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PEP Technologies Private Limited

Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount (In Lakhs)	Number of shares	Amount (In Lakhs)
(vii) Series B2 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	20,967	2.10	20,967	2.10
Issued during the year	-	-	-	-
Balance at the end of the year	20,967	2.10	20,967	2.10
(viii) Series C Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	45,843	4.58	45,843	4.58
Issued during the year	-	-	-	-
Balance at the end of the year	45,843	4.58	45,843	4.58
(ix) Series C1 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	156	0.02	156	0.02
Issued during the year	-	-	-	-
Balance at the end of the year	156	0.02	156	0.02
(x) Series C2 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	300	0.03	300	0.03
Issued during the year	-	-	-	-
Balance at the end of the year	300	0.03	300	0.03
(xi) Series C3 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	9,432	0.94	-	-
Issued during the year	-	-	9,432	0.94
Balance at the end of the year	9,432	0.94	9,432	0.94
(xii) Series C4 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	1,404	0.14	-	-
Issued during the year	-	-	1,404	0.14
Balance at the end of the year	1,404	0.14	1,404	0.14
(xiii) Series C5 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	1,873	0.19	-	-
Issued during the year	-	-	1,873	0.19
Balance at the end of the year	1,873	0.19	1,873	0.19

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

b)	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹ 10 each				
Tarun Sharma	10,427	39.17%	10,427	39.17%
Vikas Lachhwani	10,426	39.17%	10,426	39.17%
	20,853	78.34%	20,853	78.34%
Preference shares				
Seed Compulsory convertible preference shares of ₹ 10 each				
Navjot Singh Saini	679	6.60%	679	6.60%
Parthasarathi Bandyopadhyay	654	6.36%	654	6.36%
Purvi Virchand Shah	1,198	11.65%	1,198	11.65%
Sejal Kaushik	602	5.85%	602	5.85%
La Moda Clothing Exports Private Limited	602	5.85%	602	5.85%
Harminder Sahnii	567	5.51%	567	5.51%
Vinod Bamalwa	567	5.51%	567	5.51%
	4,869	47.33%	4,869	47.33%
Series A Compulsory convertible preference shares of ₹ 10 each				
RP-SG Ventures Fund I	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 Kumar Aggarwal	915	9.78%	915	9.78%
Apurva Salarpuria	602	6.44%	602	6.44%
	8,769	93.76%	8,769	93.76%

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	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% holding	Number of shares	% holding
Series A1 Compulsory convertible preference shares of ₹ 10 each				
RP-SG Ventures Fund I	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%
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%
	22,587	97.28%	22,587	97.29%
Series B1 Compulsory convertible preference shares of ₹ 10 each				
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%
RP-SG Ventures Fund I	2,102	13.03%	2,102	13.03%
Rajesh Khemlani	1,366	8.47%	1,366	8.47%
	14,422	89.39%	14,422	89.38%
Series B2 Compulsory convertible preference shares of ₹ 10 each				
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 Ravindra 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%
	20,493	97.74%	20,493	97.74%
Series C Compulsory convertible preference shares of ₹ 10 each				
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 Ventures Opportunity Fund I, A scheme of RP-SG Ventures Investment Trust	2,616	5.71%	2,616	5.71%
	42,969	93.74%	42,969	93.74%
Series C1 Compulsory convertible preference shares of ₹ 10 each				
Neeraj Madhok	156	100.00%	156	100.00%
	156	100.00%	156	100.00%
Series C2 Compulsory convertible preference shares of ₹ 10 each				
Vikas Lachhwani	150	50.00%	150	50.00%
Tarun Sharma	150	50.00%	150	50.00%
	300	100.00%	300	100.00%
Series C3 Compulsory convertible preference shares of ₹ 10 each				
Rishabh Harsh Mariwala	1,563	16.57%	1,563	16.57%
Singularity Growth Opportunities Fund I, Scheme to Singularity Growth Opportunities Fund	1,563	16.57%	1,563	16.57%
Paragon Partners Growth Fund II	4,683	49.65%	4,683	49.65%
DSP HMK Holdings Private Limited	1,561	16.55%	1,561	16.55%
	9,370	99.34%	9,370	99.34%
Series C4 Compulsory convertible preference shares of ₹ 10 each				
Apurva Salarpuria	780	55.56%	780	55.56%
Vinod Bamalwa	312	22.22%	312	22.22%
Paula Mariwala	312	22.22%	312	22.22%
	1,404	100.00%	1,404	100.00%
Series C5 Compulsory convertible preference shares of ₹ 10 each				
Viswadam Commodities LLP	312	16.66%	312	16.66%
K I Varaprasad Reddy	1,561	83.34%	1,561	83.34%
	1,873	100.00%	1,873	100.00%

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

As at March 2025

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%	-
Total	20,853		20,853	78.34%	

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%	-
Total	20,853		20,853	78.34%	

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.

The Company has not declared any dividend during the year.

(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 converted 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.

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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 2.994:1 i.e. every 2.994 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 3:1 i.e. every 3 Series C1 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.

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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").
- (ii) It will be convertible at floor value amounting ₹ 96,060.

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").
- (ii) It will be convertible at floor value amounting ₹ 96,060.

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").
- (ii) It will be convertible at floor value amounting ₹ 96,060.

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 2025.

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.

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PEP Technologies Private Limited
Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information

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

	As at 31 March 2025	As at 31 March 2024
4 Reserves and surplus		
Securities premium		
Balance at the beginning of the year	26,876.64	22,807.22
Add: Premium on issue of shares	-	4,069.42
Balance at the end of the year	26,876.64	26,876.64
Deficit in the Statement of Profit and Loss		
Balance at the beginning of the year	(25,144.13)	(16,602.60)
Add : Profit/(Loss) for the year	197.81	(8,541.53)
Add: Share option expense reversal	53.57	-
Balance at the end of the year	(24,892.75)	(25,144.13)
Share options outstanding account (Refer note 32)		
Balance at the beginning of the year	1,499.79	1,287.85
Add: Expenses for the year	337.00	211.94
Less: Expense reversal for previous year	(53.57)	-
Balance at the end of year	1,783.22	1,499.79
	3,767.11	3,232.30
5(a) Long term borrowings		
Term loan - (Secured)		
From financial institution**	133.33	-
	133.33	-
5(b) Long-term provisions		
Provision for gratuity (Refer note 29b(i))	158.01	165.50
	158.01	165.50
6 Short term borrowings		
From Bank (Secured)		
Overdraft facility from banks*	487.56	493.68
From others (Secured)		
Current Maturity of Long Term Borrowing	366.67	-
From financial institution**	-	1,046.14
Bill discounted from financial institution**	568.16	567.12
	1,422.39	2,106.94

*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- 9 months +1.50%.

**Note: 10% Cash Margin of the Facility Limit to be maintained with the lender as deposit. Interest Rate is 13.75% which is deducted up front upon disbursal. The Borrower shall maintain security Cover of 1.5x (one point five times). "Security Cover" shall be calculated as- [all tangible fixed assets + inventory + all receivables (not greater than 180 days) + cash and cash equivalents + unbilled revenue] divided by the total outstanding due amount

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PEP Technologies Private Limited
Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information

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

	As at 31 March 2025	As at 31 March 2024
7 Trade payables		
- Total outstanding dues of micro and small enterprises	604.87	615.16
- Total outstanding dues of creditors other than micro and small enterprises	5,189.70	3,713.70
	5,794.57	4,328.86

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	574.99	605.95
- Interest thereon, included in finance cost	20.68	9.21

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	29.88	-
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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

As at 31 March 2025

Particulars	Outstanding for following periods from invoice date					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro and small enterprises	16.01	547.77	24.94	16.15	-	604.87
(ii) Total outstanding dues of creditors other than micro and small enterprises	743.95	4,379.13	56.22	10.40	-	5,189.70
(iii) Disputed dues - Total outstanding dues of micro and small enterprises	-	-	-	-	-	-
(iv) Disputed dues - Total outstanding dues of creditors other than micro and small enterprises	-	-	-	-	-	-
Total	759.96	4,926.90	81.16	26.55	-	5,794.57

As at 31 March 2024

Particulars	Outstanding for following periods from invoice date					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro and small enterprises	259.78	344.83	10.55	-	-	615.16
(ii) Total outstanding dues of creditors other than micro and small enterprises	3,155.18	532.40	26.12	-	-	3,713.70
(iii) Disputed dues - Total outstanding dues of micro and small enterprises	-	-	-	-	-	-
(iv) Disputed dues - Total outstanding dues of creditors other than micro and small enterprises	-	-	-	-	-	-
Total	3,414.96	877.23	36.67	-	-	4,328.86

8 Other current liabilities

	As at 31 March 2025	As at 31 March 2024
Statutory dues	119.09	100.72
Advance from customers	93.74	37.28
Other payables	-	82.12
Payable to employees	397.84	576.71
Interest accrued but not due	4.22	18.18
	614.89	815.01

9 Short-term provisions

Provision for gratuity (Refer note 29b(i))	3.87	2.93
Provision for sales return	1,352.84	1,474.52
Provision for leave encashment (Refer note 29b(ii))	49.61	64.72
	1,406.32	1,542.17

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PEP Technologies Private Limited

Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information

(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
Balance as at 01 April 2023	40.42	16.99	35.64	85.06	178.11
Additions	2.45	8.69	1.81	3.80	16.75
Disposals	-	-	-	-	-
Balance as at 31 March 2024	42.87	25.68	37.45	88.86	194.86
Additions	3.37	2.49	0.40	1.48	7.74
Disposals	-	6.56	20.55	0.27	27.38
Balance as at 31 March 2025	46.24	21.61	17.30	90.07	175.22
Accumulated depreciation					
Balance as at 01 April 2023	22.85	4.25	8.25	6.31	41.66
Depreciation charge	9.20	3.80	4.01	5.40	22.41
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2024	32.05	8.05	12.26	11.71	64.07
Depreciation charge	5.28	4.67	3.51	5.64	19.10
Reversal on disposal of assets	-	3.19	11.71	0.19	15.09
Balance as at 31 March 2025	37.33	9.53	4.06	17.16	68.08
Net block					
Balance as at 31 March 2024	10.82	17.63	25.19	77.15	130.79
Balance as at 31 March 2025	8.91	12.08	13.24	72.91	107.14

11 Intangible assets

Gross block	Mobile Application	Trademark	Software	Design Plan	Total
Balance as at 01 April 2023	8.25	47.46	9.25	32.20	97.16
Additions	-	10.86	-	2.60	13.46
Disposals	-	-	-	-	-
Balance as at 31 March 2024	8.25	58.32	9.25	34.80	110.62
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 March 2025	8.25	58.32	9.25	34.80	110.62
Accumulated amortisation					
Balance as at 01 April 2023	8.24	7.93	3.63	9.00	28.80
Amortisation charge	-	12.51	2.93	6.29	21.73
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2024	8.24	20.44	6.56	15.29	50.53
Amortisation charge	-	13.57	2.04	6.69	22.30
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2025	8.24	34.01	8.60	21.98	72.83
Net block					
Balance as at 31 March 2024	0.01	37.88	2.69	19.51	60.09
Balance as at 31 March 2025	0.01	24.31	0.65	12.82	37.79

PEP Technologies Private Limited

Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

As at 31 March 2025

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	2,369.65	142.71	243.36	18.45	-	2,774.17
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	55.28	1.01	56.29
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	2,369.65	142.71	243.36	73.73	1.01	2,830.46

As at 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	-	-	-	-	-	-
Total	2,482.89	235.67	168.67	-	-	2,887.23

	As at 31 March 2025	As at 31 March 2024
17 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	2.65	0.01
Balances with banks		
-Current account	2,166.58	2,661.66
Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months*	520.09	300.00
	2,689.32	2,961.67

*Deposit with bank as on 31 March 2025 is liened towards bank guarantee amounting ₹ 100.00 lakhs and as on 31 March 2024 is ₹ 300.00 lakhs .

18 Short term loans and advances

Advance to suppliers	475.37	518.85
Balance with government authorities	1,269.68	1,840.22
Prepaid expenses	55.25	75.74
Advance to employees	36.45	26.87
Security deposits	3.06	43.31
	1,839.81	2,504.99

19 Other current assets

Interest accrued on fixed deposits with bank	20.24	14.68
Receivables from payment gateway	605.96	227.15
Balance with Other Party - Margin Money (Refer note 6)	151.27	241.99
Insurance claim receivable	134.31	-
Others	-	4.29
	911.78	488.11

PEP Technologies Private Limited**Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information**

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

	<u>Year ended</u> <u>31 March 2025</u>	<u>Year ended</u> <u>31 March 2024</u>
20 Revenue from operations		
Sale of products	23,747.77	19,301.31
	<u>23,747.77</u>	<u>19,301.31</u>
21 Other income		
Interest on fixed deposit with banks	32.68	452.02
Fees towards support service	1,782.70	427.89
Interest on income-tax refund	6.36	4.35
Sundry balances written back	3.27	-
Sale of Ingredients	53.04	-
Miscellaneous income	79.11	6.81
	<u>1,957.16</u>	<u>891.07</u>
22 Purchase of traded goods		
Purchase of traded goods	9,403.67	6,375.96
Direct Expenses	445.04	351.97
	<u>9,848.71</u>	<u>6,727.93</u>
23 Changes in inventories of traded goods		
Opening balance		
Traded goods	2,114.40	1,998.39
Packing materials	-	55.36
	<u>2,114.40</u>	<u>2,053.75</u>
Closing balance		
Traded goods	2,758.04	2,114.40
Packing materials	-	-
	<u>2,758.04</u>	<u>2,114.40</u>
	<u>(643.64)</u>	<u>(60.65)</u>
24 Employee benefits expense		
Salaries, wages and bonus	2,225.68	3,429.37
Contribution to provident and other funds (Refer note 29a)	46.82	83.76
Gratuity (Refer note 29b)	(2.81)	33.77
Share based payment expenses (Refer note 32)	337.00	211.94
Staff welfare expenses	55.21	95.70
	<u>2,661.90</u>	<u>3,854.54</u>
25 Finance costs		
Interest on delayed payment of statutory dues	0.36	0.20
Interest on delayed payment of MSME	20.68	9.21
Interest on short term borrowings	59.55	48.51
Interest on overdraft facility from banks	41.98	278.58
	<u>122.57</u>	<u>336.50</u>
26 Depreciation and amortisation expense		
Depreciation on Property, plant and equipment (Refer note 10)	19.10	22.41
Amortisation on intangible assets (Refer note 11)	22.30	21.73
	<u>41.40</u>	<u>44.14</u>

PEP Technologies Private Limited**Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information****(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)**

	Year ended	Year ended
	31 March 2025	31 March 2024
27 Other expenses		
Repairs and maintenance - Others	0.54	1.69
Contract labour	156.08	1,085.32
Advertising and sales promotion expenses	6,861.11	10,607.55
Warehousing and product delivery charges	3,149.20	3,269.79
Commission charges	1,061.11	872.64
Web hosting and server support expenses	306.14	315.08
Product development cost	-	16.69
Insurance	38.42	42.38
Professional charges	226.13	511.24
Auditor's remuneration (Refer note 27.1)	19.75	17.49
Other receivables written off	0.87	32.38
Printing and stationery	3.45	10.07
Rates and taxes	10.79	44.40
Travelling and conveyance	134.12	464.13
Office expenses	13.37	7.15
Allowances for doubtful debts		62.34
Bad debts written off	20.96	
Less: Reversal of allowance of doubtful debts (20.96)	-	-
Loss on sale of property, plant and equipment	12.30	-
Foreign Exchange loss (net)	0.33	1.99
Miscellaneous expenses	83.43	4.18
	<u>12,960.24</u>	<u>17,831.45</u>
27.1 Auditor's remuneration		
Statutory audit fees	18.70	17.00
Out of pocket expenses	1.05	0.49
Total	<u>19.75</u>	<u>17.49</u>

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PEP Technologies Private Limited

Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

28 Earnings per share

The amount considered in ascertaining the Company's earnings per share constitutes the net profit/ (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.

Basic		
Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Net Profit/(loss) attributable to equity shareholders (₹ in lakhs)	197.81	(8,541.53)
Weighted average number of shares outstanding during the year - Basic	26,617	26,031
Face value per share	10.00	10.00
Earnings/(loss) per share - Basic (₹ in lakhs)	0.01	(0.33)

Diluted		
Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Net Profit/(loss) attributable to equity shareholders (₹ in lakhs)	197.81	(8,541.53)
Weighted average number of shares outstanding during the year - Diluted	86,325	85,421
Face value per share	10.00	10.00
Earnings/(loss) per share - Diluted (₹ in lakhs)	0.00	(0.10)

29 Employee benefit plans:

a. Defined contribution plan

The Company has certain defined contribution plans. Contributions are made to provident fund and ESIC in India for employees at the rate of 12% and 3.25% of basic salary respectively as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. Amount recognized as an expense during the period towards provident fund plan is ₹ 46.82 Lakhs (31 March 2024- ₹ 83.76 Lakhs)

b. Defined benefit plan

(i) Gratuity (Unfunded)

Defined Benefit Plans: The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a non-funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long 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 2025	As at 31 March 2024
Present value of the obligation at beginning of the year	168.43	134.66
Current service cost	48.59	64.90
Interest cost	11.66	9.76
Experience (gains)/losses	(63.07)	(40.89)
Benefits paid	(3.73)	-
Present value of the obligation at the end of the year	161.88	168.43

Expense recognised in the statement of profit and loss	Year ended 31 March 2025	Year ended 31 March 2024
Current service cost	48.59	64.90
Interest cost	11.66	9.76
Actuarial (gain)/ loss	(63.07)	(40.89)
Total expense	(2.82)	33.77

Movement in liability recognised in the balance sheet	As at 31 March 2025	As at 31 March 2024
Liability at the beginning of the year	168.43	134.66
Expense as recognised in the statements of profit and loss	(2.82)	33.77
Benefits paid	(3.73)	-
Liability at the end of the year	161.88	168.43

PEP Technologies Private Limited

Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

Current and non current classification	As at 31 March 2025	As at 31 March 2024
Current	3.87	2.93
Non-current	158.01	165.50

Actuarial assumptions	31 March 2025	31 March 2024
Discount rate (p.a.) **	6.79%	7.21%
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.

Experience adjustment:	Year ended 31 March 2025	Year ended 31 March 2024
Actuarial loss/(gain) on obligations	(63.07)	(40.89)

Details of present value of obligation and experience adjustments:

	31 March 2025	31 March 2024	31 March 2023	31 March 2022	31 March 2021
Present value of obligation	161.88	168.43	134.66	76.65	42.04
Experience adjustments:					
On plan liabilities:- (gain) / loss	(63.07)	(40.89)	(13.80)	(0.56)	0.76

(ii) Leave encashment

The leave obligations cover the Company's liability towards leave encashment for year end unutilised leave balances.

The amount of the provision of ₹ 49.61 lakhs (31 March 2024 – ₹ 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 Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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PEP Technologies Private Limited

Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information

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

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

Description of relationship	Name of related parties
(i) Key management personnel	Mr. Tarun Sharma - Director Mr. Vikas Lachhwani - Director Mr. Abhishek Goenka - Director Mr. Harminder Sahni - 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 2025	Year ended 31 March 2024
Remuneration *		
Mr. Tarun Sharma	82.18	132.18
Mr. Vikas Lachhwani	59.38	132.18
Mrs. Vaishali Gupta	64.68	68.84
Reimbursement of expenditure		
Mr. Tarun Sharma	17.17	17.04
Mr. Vikas Lachhwani	39.27	15.68
Mrs. Vaishali Gupta	12.92	12.19
Investment in subsidiary - Equity		
Kreative Beauty Private Limited	0.07	-
Investment in subsidiary - CCPS		
Kreative Beauty Private Limited	1,125.00	875.10
Purchase of goods		
Kreative Beauty Private Limited	6,318.73	896.52
Discount Reimbursement	(1,280.34)	(105.48)
Shared support service		
Kreative Beauty Private Limited	1,782.70	427.89
Expenses incurred on behalf of Kreative Beauty Private Limited		
Kreative Beauty Private Limited	2,204.73	462.80

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

Particulars	As at 31 March 2025	As at 31 March 2024
Salary payable		
Mr. Tarun Sharma	45.58	106.48
Mr. Vikas Lachhwani	6.48	107.09
Mrs. Vaishali Gupta	56.57	23.09
Kreative Beauty Private Limited		
- Trade Payable	1,661.21	47.07
- Provision for Purchase return	48.51	48.51
- Provision for Free samples	436.32	-

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

All related party transactions are carried out at arm's length and in the ordinary course of business.

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 2025 in respect of operating leases is ₹ 868.19 lakhs (for the year ended 31 March 2024 - ₹ 464.94 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 2025	As at 31 March 2024
Not later than 1 year	747.00	243.00
Later than 1 year but not later than 5 years	-	147.00
Later than 5 years	-	-

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
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	
	Financial year 23-24	Financial year 24-25
Number of options	607	718
Exercise price (₹)	10	10
Vesting Period:	1-4 years	1-4 years
Value of shares as on grant date (₹)	95,559.99	95,646.01

(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 2025		Year ended 31 March 2024	
	Numbers of options	Weighted average exercise price	Numbers of options	Weighted average exercise price
Balance at beginning of year	3,120	10*	2,629	2,746
Granted during the year	718	10	607	10
Forfeited/ lapsed during the year	(400)	-	(116.00)	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Surrendered during the year	-	-	-	-
Balance at the end of the year	3,438	10*	3,120	10*
Exercisable at the end of the year	2,702	-	2,515	-

* 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	137
F.Y. 2024-25	167
F.Y. 2025-26	297
F.Y. 2026-27	231
F.Y. 2027-28	152
F.Y. 2028-29	76

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

Particulars	2024-25	2023-24
Share based payment expenses	337.00	211.94
Share options outstanding account	1,783.22	1,499.79

PEP Technologies Private Limited

Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information

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

33 Ratios

Following are the ratios computed for the period/year:

Ratios	Unit	Basis	31 March 2025	31 March 2024	Variance	Reason (If variation is more than 25%)
Current Ratio	Times	<u>Current Assets</u> Current Liabilities	1.19	1.24	(4.13%)	
Debt-Equity Ratio	Times	<u>Total Debt</u> Total Shareholders Equity	0.41	0.65	36.60%	The ratio has increased due to reduction in borrowings
Debt Service Coverage Ratio (after exceptional item)	Times	<u>Earnings for debt service (after exceptional item)</u> Debt service	3.36	(24.98)	113.43%	The ratio has increased due to reduction in borrowings
Debt Service Coverage Ratio (before exceptional item)	Times	<u>Earnings for debt service (before exceptional item)</u> Debt service	8.44	(24.98)	133.78%	The ratio has increased due to reduction in borrowings
Return on Equity Ratio (after exceptional item)	Percentage	<u>Loss After Tax (after exceptional item)</u> Average Shareholders Equity	5.62%	(159.00%)	103.54%	In the current year, Company has reduced loss which has resulted in increase in the ratio.
Return on Equity Ratio (before exceptional item)	Percentage	<u>Loss After Tax (before exceptional item)</u> Average Shareholders Equity	20.29%	(159.00%)	112.76%	In the current year, Company has reduced loss which has resulted in increase in the ratio.
Inventory Turnover Ratio	Times	<u>Cost of Goods Sold</u> Average Inventory	3.78	3.20	18.08%	
Trade Receivables turnover ratio	Times	<u>Revenue from operations</u> Average Trade Receivables*	7.38	6.59	12.05%	
Trade Payables turnover ratio	Times	<u>Credit Purchases</u> Average Trade Payables	4.50	6.32	(28.79%)	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	<u>Revenue from Operations</u> Working Capital	13.69	9.19	49.00%	The increase in ratio is due to decrease in working capital.
Net profit ratio (after exceptional item)	Percentage	<u>Net Profit After Tax (after exceptional item)</u> Revenue from operations	0.83%	(44.25%)	(101.88%)	In the current year, Company has reduced loss.
Net profit ratio (before exceptional item)	Percentage	<u>Net Profit After Tax (before exceptional item)</u> Revenue from operations	3.01%	(44.25%)	(106.79%)	The company has discontinued offline model of business
Return on Capital Employed (after exceptional item)	Percentage	<u>Earnings before Interest and Tax (after exceptional item)</u> Capital Employed	(40.72%)	(279.00%)	(85.40%)	In the current year, Company has reduced loss which has.
Return on Capital Employed (before exceptional item)	Percentage	<u>Earnings before Interest and Tax (before exceptional item)</u> Capital Employed	(27.55%)	(279.00%)	(90.12%)	In the current year, Company has reduced loss which has.

* 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**Notes to the standalone financial statements including summary of significant accounting policies and other explanatory information****(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)****35 Expenditure in foreign currency**

	Year ended 31 March 2025	Year ended 31 March 2024
Earnings		
Revenue from Sale of products	90.31	172.48
	90.31	172.48
Expenditure		
Advertising and sales promotion expenses	0.26	0.91
Web hosting and server support expenses	50.41	80.37
Professional fees	3.44	24.47
Travelling and conveyance	0.42	5.50
	54.54	111.24

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 revalued its intangible assets.
- d) 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.
- e) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- f) The Company has not been declared as Willful defaulter by any Banks, Financial institution or Other lenders.
- g) The Company do not have any transactions with companies struck off.
- h) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- i) 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.
- j) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- k) 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.
- l) 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.
- m) 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).
- n) 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. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and such statements are in agreement with the books of account of the Company for the respective periods.

38 The exceptional item pertains to Offline business of the Company that has been discontinued. A provision has been created for the products that will be returned by the customers.

The Ministry of Corporate Affairs (MCA) has prescribed a 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 account, 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 account 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 2024, has used three accounting software for maintaining their accounting records, inventory management and generation of sales order, which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions, except for instances mentioned below:

A. For one accounting software used to maintain the company's accounting records the audit trail (edit log) could not sufficiently demonstrate whether the same was enabled and operated effectively throughout the year.

B. For one accounting software used for generation of sales order, in absence of sufficient evidence at the application level, we are unable to demonstrate on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions. Further, in the absence of information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with AICPA Attestation Standards), we are unable to demonstrate on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year.

Based on management's assessment, this does not pose any impact on the company's financial impact, as all the other necessary controls in place are operating effectively. Additionally, the Company is actively working towards compliance with the audit trail requirements.

40 Call money to be paid for equity shares of Kretaive Beauty Pvt Ltd (Subsidiary) amounting to ₹ 0.61 lakhs. There are no other capital commitments as at 31 March 2024.

41 There are no pending litigations as at 31 March 2025 and as at 31 March 2024.

This is the notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information 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

SD/-
Yashwant M. Jain
Partner
Membership No.: 118782

SD/-
Tarun Sharma
Director
DIN: 07264165

SD/-
Vikas Lachhwani
Director
DIN: 02898317

Place : Mumbai
Date: 27 September 2025

Place : Mumbai
Date: 27 September 2025

Place: Bangalore
Date: 27 September 2025

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 subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2025, 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 2025, 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 Directors' Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Directors' Report is not made available to us at the date of this auditor's report. 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the 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 consolidated 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;

Pep Technologies Private Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statement

- 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; 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 consolidated financial statements of such entities included in the consolidated 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, 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) 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), in our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.;
 - 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;

Pep Technologies Private Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statement

- e) On the basis of the written representations received from the directors of the Holding Company, and its subsidiary and taken on record by the Board of Directors of the Holding Company, and its subsidiary, none of the directors of the Holding Company and its subsidiary are disqualified as on 31 March 2025 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(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 consolidated financial statements of the Holding Company, and its subsidiary, and the 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. There were no pending litigations as at 31 March 2025 which would impact the consolidated financial position of the Group;
 - ii. The Holding Company and its subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;
 - iii. There were no amount which was required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary during the year ended 31 March 2025;
- iv.
- 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 that, to the best of their knowledge and belief as disclosed in note 36(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 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 that, to the best of their knowledge and belief, as disclosed in the note 36(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.

Pep Technologies Private Limited
Independent Auditor's Report on the Audit of the Consolidated Financial Statement

- v. The Holding Company and its subsidiary have not declared or paid any dividend during the year ended 31 March 2025.
- vi. As stated in Note 38 to the consolidated financial statements and based on our examination which included test checks, except for instance mentioned below, the Holding Company and its subsidiary, in respect of financial year commencing on 01 April 2024, have used three 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 all relevant transactions recorded in the software. Further, during the course of our audit, other than the consequential impact of the exceptions given below, we did not come across any instance of audit trail feature being tampered with, . Furthermore, other than the consequential impact of the exceptions given below, the audit trail has been preserved by the Group as per the statutory requirements for record retention from the date audit trail was enabled:
- a. For one accounting software used to maintain the company's accounting records the audit trail (edit log) could not sufficiently demonstrate whether the same was enabled and operated effectively throughout the year. Further, the audit trail pertaining to financial year 2023-24 has not been preserved by the Company as per the statutory requirements for record retention.
- b. For one accounting software used for generation of sales order, in absence of sufficient evidence at the application level, we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions and preserved as per the statutory requirements for record retention. Further, in the absence of information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with AICPA Attestation Standards), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year and preserved as per the statutory requirements for record retention.

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

Yashwant M. Jain
Partner
Membership No.: 118782

UDIN: 25118782BMOEOL3363

Place: Mumbai
Date: 27 September 2025

Annexure II

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 subsidiaries (the Holding Company and its subsidiary together referred to as 'the Group') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company, which is company 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 and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Consolidated Financial Statements

3. The audit of internal financial controls with reference to financial statements of the afore mentioned 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 Consolidated 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 Consolidated 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 Holding Company, which is a company covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, based on internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Yashwant M. Jain
Partner
Membership No.: 118782

UDIN: 25118782BMOEOK5083

Place: Mumbai
Date: 27 September 2025

PEP Technologies Private Limited
Consolidated Balance Sheet as at 31 March 2025
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	Notes	As at 31 March 2025	As at 31 March 2024
Equity and liabilities			
Shareholders' funds			
Share capital	3	17.37	17.37
Reserves and surplus	4	1,083.28	2,509.42
		1,100.65	2,526.79
Minority Interest	4(a)	-	-
Non-current liabilities			
Long term borrowings	5(a)	133.33	-
Long-term provisions	5(b)	158.01	165.50
		291.34	165.50
Current liabilities			
Short term borrowings	6	1,422.39	2,106.94
Trade payables	7		
- total outstanding dues of micro and small enterprises		637.81	696.94
- total outstanding dues of creditors other than micro and small enterprises		6,177.30	3,929.36
Other current liabilities	8	639.85	821.83
Short-term provisions	9	1,406.34	1,542.17
		10,283.69	9,097.24
TOTAL		11,675.68	11,789.53
Assets			
Non-current assets			
Property, Plant and Equipment and Intangible Asset			
(i) Property, plant and equipment	10	107.14	130.79
(ii) Intangible assets	11	37.85	60.19
Goodwill	12	194.19	194.19
Deferred tax assets (net)	13	-	-
Long term loans and advances	14	213.60	249.43
		552.78	634.60
Current assets			
Inventories	15	2,455.99	2,152.51
Trade receivables	16	2,774.17	2,824.89
Cash and bank balances	17	2,948.87	3,075.64
Short term loans and advances	18	2,032.09	2,613.79
Other current assets	19	911.78	488.11
		11,122.90	11,154.94
TOTAL		11,675.68	11,789.53

Notes to the consolidated financial statements including summary of significant accounting policies and other explanatory information are an integral part of these consolidated financial statements

1 to 40

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

SD/-

Yashwant M. Jain

Partner

Membership No.: 118782

Place : Mumbai

Date : 27 September 2025

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

SD/-

Tarun Sharma

Director

DIN: 07264165

Place : Mumbai

Date : 27 September 2025

SD/-

Vikas Lachhwani

Director

DIN: 02898317

Place : Bangalore

Date : 27 September 2025

PEP Technologies Private Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2025
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Revenue			
Revenue from operations	20	23,747.77	19,301.31
Other income	21	174.50	463.94
Total income		23,922.27	19,765.25
Expenses			
Purchase of traded goods and packing materials	22	6,872.92	6,294.42
Changes in inventories of traded goods and packing materials	23	(303.48)	(98.76)
Employee benefits expense	24	2,661.90	3,854.54
Finance costs	25	124.06	336.54
Depreciation and amortisation expense	26	41.44	44.17
Other expenses	27	15,772.63	18,598.75
Total expenses		25,169.47	29,029.66
Loss before tax and Exceptional Item		(1,247.20)	(9,264.41)
Exceptional Item	37	(515.94)	-
Loss before tax		(1,763.14)	(9,264.41)
Tax expense			
Current tax		-	-
Deferred tax charge		-	-
Loss for the year before share of minority interest		(1,763.14)	(9,264.41)
Share of minority interest		-	-
Loss for the year attributable to the shareholders of the company		(1,763.14)	(9,264.41)
Earnings per equity share (Nominal value of shares is ₹ 10 each)			
Basic (in ₹ lakhs)	28	(0.07)	(0.36)
Diluted (in ₹ lakhs)		(0.02)	(0.11)
Face value per share (in ₹)		10.00	10.00

Notes to the consolidated financial statements including summary of significant accounting policies and other explanatory information are an integral part of these consolidated financial statements

1 to 40

This is the Consolidated 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

SD/-
Yashwant M. Jain
Partner
Membership No.: 118782

SD/-
Tarun Sharma
Director
DIN: 07264165

SD/-
Vikas Lachhwani
Director
DIN: 02898317

Place : Mumbai
Date : 27 September 2025

Place : Mumbai
Date : 27 September 2025

Place : Bangalore
Date : 27 September 2025

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PEP Technologies Private Limited
Consolidated Cash Flow Statement for the year ended 31 March 2025
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	Year ended 31 March 2025	Year ended 31 March 2024
Cash flow from operating activities		
Loss before tax	(1,763.14)	(9,264.41)
Adjustments for:		
Depreciation and amortization expense	41.44	44.17
Loss on sale of property, plant and equipment	12.30	-
Interest on overdraft facility from bank	41.98	278.58
Interest on short term borrowings	59.55	48.51
Other receivables written off	0.87	32.38
Share based payment expenses	337.00	211.94
Provision for doubtful debts	14.91	62.34
Interest income on fixed deposits	(32.68)	(452.78)
Interest on income-tax refund	(6.41)	(4.35)
Operating loss before working capital changes	(1,294.18)	(9,043.62)
Adjustments for :		
(Increase) in inventories	(303.48)	(98.76)
(Increase)/ Decrease in trade receivables	35.82	(450.56)
(Increase)/ Decrease in loans and advances and other assets	198.47	(469.40)
Increase in trade payables, provisions and other liabilities	1,877.50	3,150.24
Cash generated from/ (used in) operating activities	514.13	(6,912.10)
Income taxes paid	6.50	(21.92)
Net cash generated from/ (used in) operating activities (A)	520.63	(6,934.01)
Cash flow from investing activities		
Purchase of property, plant and equipment (including intangibles)	(7.74)	(30.22)
(Investment in)/ Maturity Proceeds from fixed deposits	(220.09)	5,458.01
Interest received	27.12	643.61
Net cash generated from/ (used in) investing activities (B)	(200.72)	6,071.40
Cash flow from financing activities		
Proceeds from issue of shares	-	4,070.69
Proceed from long term borrowings (net)	500.00	-
Proceeds/ (Repayment) from short term borrowings (net)	(1,051.23)	(950.61)
Interest paid	(115.50)	(308.90)
Net cash generated from/ (used in) financing activities (C)	(666.73)	2,811.18
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(346.82)	1,948.57
Cash and cash equivalents at the beginning of the year	2,775.64	826.06
Cash and cash equivalents taken over on acquisition	-	1.00
Cash and cash equivalents at the end of the year	2,428.85	2,775.64
Components of cash and cash equivalents (Refer note 17)		
Cash in hand*	2.65	0.01
Balances with banks		
- Current accounts	2,426.13	2,775.63
	2,428.78	2,775.64

Significant accounting policies and other explanatory information 1 to 40

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

SD/-

SD/-

SD/-

Yashwant M. Jain
Partner
Membership No.: 118782

Tarun Sharma
Director
DIN: 07264165

Vikas Lachhwani
Director
DIN: 02898317

Place : Mumbai
Date : 27 September 2025

Place : Mumbai
Date : 27 September 2025

Place : Bangalore
Date : 27 September 2025

PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2025

Corporate Overview

The consolidated financial statements comprise financial statements of PEP Technologies Private Limited (“Holding Company”) and its subsidiary (collectively referred to as “the Group”) for the year ended 31 March 2025.

PEP Technologies Private Limited is primarily engaged in trading of caffeine based cosmetic and allied products.

1. Basis of preparation

- a. These consolidated financial statements (CFS) of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards specified under prescribed under Section 133 of the Companies Act, 2013 (the “Act”), read with (the Companies (Accounting Standards) Rules, 2021 and other relevant provisions of the Act. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year for Parent.

Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

b. Principles of Consolidation

- i) The financial statements of the Holding Company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income, expenses and cash flows after eliminating intra-group balances, transactions and cash flows.
- ii) The excess of cost to the Holding Company on its investments in the subsidiaries over its portion of equity in the subsidiaries, as at the date on which investment is made, is recognised as goodwill in the CFS. The Holding Company’s portion of equity in the subsidiaries is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiary companies as on the date of investment.
- iii) Minority interest share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company. Where losses applicable to minority interest exceed the minority interest in the equity of the subsidiary, any further losses applicable to minority interest are adjusted against the Holding Company’s portion of equity in the subsidiary, and subsequent profits, if any are not allocated to relevant subsidiaries until all previous losses absorbed by Holding Company are recovered.
- iv) The CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as per the parent’s separate financial statements.
- v) The list of Subsidiaries included in consolidation are mentioned below:

Subsidiary Name	Country of Incorporation	% Holding
Kreative Beauty Private Limited	India	63.25%

PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2025

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Holding Company.

2. Significant accounting policies

a. Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, provision for obsolete inventory, deferred tax asset and the useful lives of property, plant and equipment and intangible assets.

Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual result could differ from these estimates. Any revision to accounting estimates is recognized prospectively, in the period in which revisions are made.

b. Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of products

Revenue from sale of product is recognized when the significant risks and rewards of ownership in goods have been transferred to the buyer and the seller retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

c. Property, plant and equipment (Tangible assets)

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses, if any. Acquisition cost comprises of purchase price and directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, plant and equipment, which are carried at cost, are recognized in the statement of profit and loss.

d. Intangible assets

Intangible assets are stated at acquisition cost, less any accumulated amortization and accumulated impairment losses, if any.

e. Depreciation and amortization

Depreciation on property, plant and equipment is provided under the straight-line method over the useful life of the assets as specified under Part C of Schedule II of Companies Act, 2013. Depreciation is calculated pro-rata from / to the date of addition / deletion.

PEP Technologies Private Limited

Significant accounting policies and other explanatory information as at and for the year ended 31 March 2025

Type of asset	Estimated useful life of asset
Furniture and fittings	10 years
Office equipment	5 years
Computers	3 years
Plant and machinery	15 years

Amortisation on intangible assets is provided at an estimated useful life of 3 years for software, 4 years for trademark and 5 years for design plan.

Impairment of assets

Assessment is done at each reporting date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each reporting date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

f. Other income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rates applicable.

g. Inventories

Inventories are valued at lower of cost and net realizable value; cost is determined using first in first out (FIFO) method. Cost comprise all cost of purchase and other costs incurred in bringing the inventories to their present location and condition

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

h. Foreign currency transactions and translation

The reporting currency of the Group is Indian Rupee.

Initial recognition

Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

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Exchange differences

All exchange differences arising on settlement / translation of foreign currency monetary items are recognized in the statement of profit and loss and related assets and liabilities are accordingly restated adopting the year and rates.

i. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payment are classified as an expense in the statement of profit and loss on a straight-line basis over the lease term.

j. Retirement and other employee benefits

Salary, bonus and other short term employee benefits are recognized as an expense during the period in which the services are received by the Group. Contribution to the recognized provident fund and employees' state insurance scheme (ESIC) which is defined contribution scheme, is charged to the statement of profit and loss.

Gratuity

Provision for gratuity is based on actuarial valuation of liability, certified by an actuary.

The Group provides for gratuity, a defined benefits plan (the “**Gratuity Plan**”) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan, which is unfunded, provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Group's liability is actuarially determined using the Projected Unit Credit method at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

k. Provisions and contingencies

Provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

l. Taxes on income

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act, 1961. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year including reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting

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date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Group has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent it has become reasonably certain or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realised.

m. Share-based compensation / payments

The Holding Company accounts for employee share-based payments using the fair value method. The fair value of the stock options issued by the Holding 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.

n. Borrowing costs

Borrowing cost that are not related to qualifying assets are charged to Statement of Profit and Loss.

o. Segment reporting

The activities of the Group comprise of only one business segment i.e., "trading of cosmetic and allied products". The Group operates in only one geographical segment i.e. India. Hence, the consolidated financial statements are reflective of the information required by Accounting Standard 17, "Segment Reporting" notified under the Act.

p. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in hand. The Group considers all highly liquid investments with an original maturity of three months or less from date of purchase, to be cash equivalent.

q. Earnings per share

Basic earnings per share are computed by dividing net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing net profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

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PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information

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

3 Share capital

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
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
	2,82,000	28.20	2,82,000	28.20
Issued, subscribed and fully paid up shares:				
Equity Shares of ₹ 10 each	26,617	2.66	26,617	2.66
0.001% Compulsory convertible preference shares of ₹ 10 each	10,283	1.03	10,283	1.03
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	9,432	0.94
0.001% Series C4 Compulsory convertible preference shares of ₹ 10 each	1,404	0.14	1,404	0.14
0.001% Series C5 Compulsory convertible preference shares of ₹ 10 each	1,873	0.19	1,873	0.19
	1,73,664	17.37	1,73,664	17.37
a) Reconciliation of share capital				
(i) Equity Shares of ₹ 10 each (Refer Note (c) (i))				
At the beginning of the year	26,617	2.66	25,333	2.53
Issued during the year	-	-	1,284	0.13
Balance at the end of the year	26,617	2.66	26,617	2.66
* During the previous year, Seed CCPS 1,284 share were converted to 1,284 equity shares at 1:1 ratio.				
(ii) Seed Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	10,283	1.03	11,567	1.16
Issued during the year	-	-	-	-
Converted during the year	-	-	(1,284)	(0.13)
Balance at the end of the year	10,283	1.03	10,283	1.03
(iii) Series A Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
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	9,352	0.94	9,352	0.94
(iv) Series A1 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
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	8,085	0.81	8,085	0.81
(v) Series B Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
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	23,217	2.32	23,217	2.32
(vi) Series B1 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
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	16,135	1.61	16,135	1.61

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PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information

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

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount (In Lakhs)	Number of shares	Amount (In Lakhs)
(vii) Series B2 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	20,967	2.10	20,967	2.10
Issued during the year	-	-	-	-
Balance at the end of the year	20,967	2.10	20,967	2.10
(viii) Series C Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	45,843	4.58	45,843	4.58
Issued during the year	-	-	-	-
Balance at the end of the year	45,843	4.58	45,843	4.58
(ix) Series C1 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	156	0.02	156	0.02
Issued during the year	-	-	-	-
Balance at the end of the year	156	0.02	156	0.02
(x) Series C2 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	300	0.03	300	0.03
Issued during the year	-	-	-	-
Balance at the end of the year	300	0.03	300	0.03
(xi) Series C3 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	9,432	0.94	-	-
Issued during the year	-	-	9,432	0.94
Balance at the end of the year	9,432	0.94	9,432	0.94
(xii) Series C4 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	1,404	0.14	-	-
Issued during the year	-	-	1,404	0.14
Balance at the end of the year	1,404	0.14	1,404	0.14
(xiii) Series C5 Compulsory convertible preference shares of ₹ 10 each (Refer Note (c) (ii) and (c) (iii))				
At the beginning of the year	1,873	0.19	-	-
Issued during the year	-	-	1,873	0.19
Balance at the end of the year	1,873	0.19	1,873	0.19

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

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹ 10 each				
Tarun Sharma	10,427	39.17%	10,427	39.17%
Vikas Lachhwani	10,426	39.17%	10,426	39.17%
	20,853	78.34%	20,853	78.34%
Preference shares				
Seed Compulsory convertible preference shares of ₹ 10 each				
Navjot Singh Saini	679	6.60%	679	6.60%
Parthasarathi Bandyopadhyay	654	6.36%	654	6.36%
Purvi Virchand Shah	1,198	11.65%	602	11.65%
Sejal Kaushik	602	5.85%	1,198	5.85%
La Moda Clothing Exports Private Limited	602	5.85%	602	5.85%
Harminder Sahni	567	5.51%	567	5.51%
Vinod Bamalwa	567	5.51%	567	5.51%
	4,869	47.33%	4,869	47.33%

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PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information

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

Series A Compulsory convertible preference shares of ₹ 10 each

RP-SG Ventures Fund I	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 Kumar Aggarwal	915	9.78%	915	9.78%
Apurva Salarpuria	602	6.44%	602	6.44%
	8,769	93.76%	8,769	93.76%

Series A1 Compulsory convertible preference shares of ₹ 10 each

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% holding	Number of shares	% holding
RP-SG Ventures Fund I	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%
KI. Rahul	723	8.94%	723	8.94%
	6,690	82.74%	6,690	82.74%

Series B Compulsory convertible preference shares of ₹ 10 each

RP-SG Ventures Fund I	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%
	22,587	97.28%	22,587	97.28%

Series B1 Compulsory convertible preference shares of ₹ 10 each

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%
RP-SG Ventures Fund I	2,102	13.03%	2,102	13.03%
Rajesh Khemlani	1,366	8.47%	1,366	8.47%
	14,422	89.39%	14,422	89.39%

Series B2 Compulsory convertible preference shares of ₹ 10 each

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 Ravindra 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%
	20,493	97.74%	20,493	97.74%

Series C Compulsory convertible preference shares of ₹ 10 each

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 Ventures Opportunity Fund I, A scheme of RP-SG Ventures Investment Trust	2,616	5.71%	2,616	5.71%
	42,969	93.74%	42,969	93.74%

Series C1 Compulsory convertible preference shares of ₹ 10 each

Neeraj Madhok	156	100.00%	156	100.00%
	156	100.00%	156	100.00%

Series C2 Compulsory convertible preference shares of ₹ 10 each

Vikas Lachhwani	150	50.00%	150	50.00%
Tarun Sharma	150	50.00%	150	50.00%
	300	100.00%	300	100.00%

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PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information

(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%	1,563	16.57%
Singularity Growth Opportunities Fund I, Scheme to Singularity Growth Opportunities Fund	1,563	16.57%	1,563	16.57%
Paragon Partners Growth Fund II	4,683	49.65%	4,683	49.65%
DSP HMK Holdings Private Limited	1,561	16.55%	1,561	16.55%
	9,370	99.34%	9,370	99.34%

Series C4 Compulsory convertible preference shares of ₹ 10 each

Apurva Salarpuria	780	55.56%	780	55.56%
Vinod Bamalwa	312	22.22%	312	22.22%
Paula Mariwala	312	22.22%	312	22.22%
	1,404	100.00%	1,404	100.00%

Series C5 Compulsory convertible preference shares of ₹ 10 each

Viswadharm Commodities LLP	312	16.66%	312	16.66%
K I Varaprasad Reddy	1,561	83.34%	1,561	83.34%
	1,873	100.00%	1,873	100.00%

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

As at March 2025

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%	-
Total	20,853		20,853	78.34%	

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%	-
Total	20,853		20,853	78.34%	

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. The Company has not declared any dividend during the year.

(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.

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PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information

(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.

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 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 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 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 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.

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PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information

(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").
- (ii) It will be convertible at floor value amounting ₹ 96,060.

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").
- (ii) It will be convertible at floor value amounting ₹ 96,060.

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").
- (ii) It will be convertible at floor value amounting ₹ 96,060.

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.

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PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information

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

7 Trade payables

- Total outstanding dues of micro and small enterprises	637.81	696.94
- Total outstanding dues of creditors other than micro and small enterprises	6,177.30	3,929.36
	6,815.11	4,626.30

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	606.78	696.94
- Interest thereon, included in finance cost	21.82	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	31.03	-
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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 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 2025

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	16.05	589.86	15.74	16.16	-	637.81
(ii) Others	770.43	5,340.24	56.22	10.41	-	6,177.30
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	786.48	5,930.10	71.95	26.58	-	6,815.11

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	2,634.02	1,269.21	26.13	-	-	3,929.36
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	2,917.66	1,671.96	36.68	-	-	4,626.30

8 Other current liabilities

Statutory dues	143.97	107.54
Advance from customers	93.82	37.28
Other Payables	-	82.12
Payable to employees	397.84	576.71
Interest Accrued but not Due	4.22	18.18
	639.85	821.83

9 Short-term provisions

Provision for gratuity (Refer note 29b(i))	3.87	2.93
Provision for sales return	1,352.84	1,474.52
Provision for Leave encashment (Refer note 29b(ii))	49.61	64.72
	1,406.34	1,542.17

PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information

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

10 (i) Property, plant and equipment

Gross block	Computers	Office equipments	Furniture and fixtures	Plant and machinery	Total
Balance as at 1 April 2023	40.42	16.99	35.64	85.06	178.11
Additions	2.45	8.69	1.81	3.80	16.75
Disposals	-	-	-	-	-
Balance as at 31 March 2024	42.87	25.68	37.45	88.86	194.86
Additions	3.37	2.49	0.40	1.48	7.74
Disposals	-	6.56	20.55	0.27	27.38
Balance as at 31 March 2025	46.24	21.61	17.30	90.07	175.22
Accumulated depreciation					
Balance as at 1 April 2023	22.85	4.25	8.25	6.31	41.66
Depreciation charge	9.20	3.80	4.01	5.40	22.41
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2024	32.05	8.05	12.26	11.71	64.07
Depreciation charge	5.28	4.67	3.51	5.64	19.10
Reversal on disposal of assets	-	3.19	11.71	0.19	15.09
Balance as at 31 March 2025	37.33	9.53	4.06	17.16	68.08
Net block					
Balance as at 31 March 2024	10.82	17.63	25.19	77.15	130.79
Balance as at 31 March 2025	8.91	12.08	13.24	72.91	107.14

11 Intangible assets

Gross block	Mobile Application	Trademark	Software	Design Plan	Total
Balance as at 1 April 2023	8.25	47.46	9.25	32.20	97.16
Additions on Acquisition	-	0.13	-	-	0.13
Additions	-	10.86	-	2.60	13.46
Disposals	-	-	-	-	-
Balance as at 31 March 2024	8.25	58.45	9.25	34.80	110.75
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31 March 2025	8.25	58.45	9.25	34.80	110.75
Accumulated amortisation					
Balance as at 1 April 2023	8.24	7.93	3.63	9.00	28.80
Amortisation charge	-	12.54	2.93	6.29	21.76
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2024	8.24	20.47	6.56	15.29	50.56
Amortisation charge	-	13.61	2.04	6.69	22.34
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2025	8.24	34.08	8.60	21.98	72.90
Net block					
Balance as at 31 March 2024	0.01	37.98	2.69	19.51	60.19
Balance as at 31 March 2025	0.01	24.37	0.65	12.82	37.85

12 Goodwill

Particulars	Goodwill
Balance as at 1 April 2023	-
Addition on acquisitions	194.19
Impairment	-
Balance as at 31 March 2024	194.19
Addition on acquisitions	-
Impairment	-
Balance as at 31 March 2025	194.19

PEP Technologies Private Limited
Note to the consolidated significant accounting policies and other explanatory information
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	As at 31 March 2025	As at 31 March 2024
13 Deferred tax assets		
As per Accounting Standard 22, Accounting for Taxes on Income, the net deferred tax asset amount to ₹ 4,794.09 Lakhs (31st March 2024: ₹ 6,829.15 lakhs). However since there is no virtual certainty supported by convincing evidence of future taxable profits to set off such amounts, the Group has recognised deferred tax asset only to the extent of deferred tax liability as at the balance sheet date.		
Particulars	As at 31 March 2025	As at 31 March 2024
Deferred tax assets arising on account of		
Provision for Employee Benefits	502.07	509.51
Provision for bonus	44.43	73.33
Provision for doubtful debts	14.17	15.69
Disallowance u/s 43B(h) Of Income Tax Act	63.97	-
Unabsorbed depreciation and loss as per Income Tax	4,170.67	6,236.30
Total Deferred tax assets (A)	4,795.31	6,834.83
Deferred tax liabilities arising on account of		
Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	1.22	5.68
Total deferred tax liability (B)	1.22	5.68
Total (A)-(B)	4,794.09	6,829.15
Net deferred tax recognized (Restricted to the extent of deferred tax liability)	-	-
Net deferred tax	-	-
Net deferred tax charged in the statement of profit and loss	-	-
14 Long term loans and advances		
Unsecured, considered good		
TDS Receivable	141.78	141.86
Prepaid expenses	11.37	0.31
Security deposits	60.45	107.26
	213.60	249.43
15 Inventories (Valued at lower of cost or net realisable value)		
Traded goods (Including goods in transit of ₹ 51.32 lakhs and 31 March 2024 ₹ 43.53 lakhs)	2,455.99	2,152.51
	2,455.99	2,152.51
16 Trade receivables		
Unsecured, considered good	2,774.17	2,824.89
Unsecured, credit impaired	56.29	62.34
Allowances for doubtful debts	(56.29)	(62.34)
	2,774.17	2,824.89

31 March 2025

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	2,369.65	142.70	243.36	18.46	-	2,774.17
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	55.28	1.01	56.29
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	2,369.65	142.70	243.36	73.74	1.01	2,830.46

PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information

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

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	-	-	-	-	-	-
Total	2,482.89	235.67	168.67	-	-	2,887.23

	As at 31 March 2025	As at 31 March 2024
17 Cash and bank balances		
Cash and cash equivalents		
Cash in hand*	2.65	0.01
Balances with banks		
-Current account	2,426.13	2,775.63
Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months*	520.09	300.00
	2,948.87	3,075.64

*Deposit with bank as on 31 March 2025 is liened towards bank guarantee.

18 Short term loans and advances		
Advance to suppliers	482.40	519.33
Balance with government authorities	1,454.73	1,948.31
Prepaid expenses	55.45	75.84
Advance to employees	36.45	26.87
Security deposits	3.06	43.44
	2,032.09	2,613.79
19 Other current assets		
Interest accrued on fixed deposits with bank	20.24	14.68
Receivables from payment gateway	605.96	227.15
Balance with Other Party - Margin Money (Refer note 6)	151.27	241.99
Insurance claim receivable	134.31	-
Others	-	4.29
	911.78	488.11

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PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information

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

	Year ended 31 March 2025	Year ended 31 March 2024
20 Revenue from operations		
Sale of products	23,747.77	19,301.31
	23,747.77	19,301.31
21 Other income		
Interest on fixed deposit with banks	32.68	452.78
Interest on income-tax refund	6.41	4.35
Sundry balances written back	3.27	-
Sale of Ingredients	53.04	-
Miscellaneous income	79.10	6.81
	174.50	463.94
22 Purchase of traded goods		
Purchase of traded goods	6,380.22	5,930.54
Direct Expenses	492.70	363.88
	6,872.92	6,294.42
23 Changes in inventories of traded goods		
Opening balance		
Traded goods	2,152.51	1,998.39
Packing materials	-	55.36
	2,152.51	2,053.75
Closing balance		
Traded goods	2,455.99	2,152.51
	2,455.99	2,152.51
	(303.48)	(98.76)
24 Employee benefits expense		
Salaries, wages and bonus	2,225.68	3,429.37
Contribution to provident and other funds (Refer note 29a)	46.82	83.76
Gratuity (Refer note 29b)	(2.81)	33.77
Share based payment expenses (Refer note 32)	337.00	211.94
Staff welfare expenses	55.21	95.70
	2,661.90	3,854.54
25 Finance costs		
Interest on delayed payment of statutory dues	0.71	0.24
Interest on delayed payment of MSME	21.82	9.21
Interest on short term borrowings	59.55	48.51
Interest on overdraft facility from banks	41.98	278.58
	124.06	336.54
26 Depreciation and amortisation expense		
Depreciation on Property, plant and equipment (Refer note 10)	19.10	22.41
Amortisation on intangible assets (Refer note 11)	22.34	21.76
	41.44	44.17

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PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information
(Amount in ₹ (Lakhs), except for share data, and if otherwise stated)

	Year ended 31 March 2025	Year ended 31 March 2024
27 Other expenses		
Rent (Refer note 31)	868.32	465.06
Repairs and maintenance - Others	0.54	1.69
Contract labour	156.08	1,085.32
Advertising and sales promotion expenses	9,573.85	11,088.86
Warehousing and product delivery charges	3,152.58	3,365.52
Commission charges	1,061.11	875.94
Web hosting and server support expenses	313.54	349.39
Product development cost	2.72	93.75
Insurance	38.42	42.38
Professional charges	243.99	558.63
Auditor's remuneration	24.15	21.61
Other receivables written off	0.87	32.38
Printing and stationery	3.45	10.07
Rates and taxes	10.91	45.35
Travelling and conveyance	146.61	478.02
Office expenses	13.37	7.15
Loss on sale of Fixed asset	12.30	-
Allowances for doubtful debts	14.91	62.34
Bad debts written off	20.96	
Less: Reversal of allowance of doubtful debts (20.96)	-	-
Foreign Exchange loss	0.33	1.99
Miscellaneous expenses	134.58	13.30
	15,772.63	18,598.75

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PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information

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

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	Financial year 24-25
Grant date			
Number of options	150	607	718
Exercise price (₹)	47,955	10	10
Vesting Period:	4 Years	1- 4 yrs	1- 4 years
Value of shares as on grant date (₹)	95,733.61	95,559.99	95,646.01

(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 2025		Year ended 31 March 2024	
	Numbers of options	Weighted average exercise price	Numbers of options	Weighted average exercise price
Balance at beginning of year	3,120	10*	2,629	2,746
Granted during the year	718	10	607	10
Forfeited during the year	(400)	-	(116.00)	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Surrendered during the year	-	-	-	-
Balance at the end of the year	3,438	10*	3,120	10*
Exercisable at the end of the year	2,702	-	2,515	-

* 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	137
F.Y. 2024-25	167
F.Y. 2025-26	297
F.Y. 2026-27	231
F.Y. 2027-28	152
	76

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

Particulars	2024-25	2023-24
Share based payment expenses	337.00	211.94
Share options outstanding account	1,783.22	1,499.78

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.

Basic

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Net loss attributable to equity shareholders (₹ in lakhs)	(1,763.14)	(9,264.41)
Weighted average number of shares outstanding during the year - Basic	26,617	26,031
Face value per share	10.00	10.00
Earnings/(loss) per share - Basic (₹)	(0.07)	(0.36)

Diluted

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Net loss attributable to equity shareholders (₹ in lakhs)	(1,763.14)	(9,264.41)
Weighted average number of shares outstanding during the year - Diluted	86,325	85,421
Face value per share	10.00	10.00
Earnings/(loss) per share - Diluted (₹ in lakhs)	(0.02)	(0.11)

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

The Company has certain defined contribution plans. Contributions are made to provident fund and ESIC in India for employees at the rate of 12% and 3.25% of basic salary respectively as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. Amount recognized as an expense during the period towards provident fund plan is ₹. 46.82 Lakhs (Previous Year - ₹. 83.76 Lakhs)

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

Defined Benefit Plans: The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a non-funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

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	As at
	31 March 2025	31 March 2024
Present value of the obligation at beginning of the year	168.43	134.66
Current service cost	48.59	64.90
Interest expense/(income)	11.66	9.76
Plan amendments cost/(credit)	-	-
Total amount recognized in profit or loss	228.68	209.33
Remeasurements		
Experience (gains)/losses	(63.07)	(40.89)
Benefit payments	(3.73)	-
Present value of the obligation at the end of the year	161.88	168.43

Expense recognised in the statement of profit and loss	Year ended	Year ended
	31 March 2025	31 March 2024
Current service cost	48.59	64.90
Interest cost	11.66	9.76
Actuarial (gain)/ loss	(63.07)	(40.89)
Total expense	(2.82)	33.77

PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information

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

Movement in liability recognised in the balance sheet	As at 31 March 2025	As at 31 March 2024
Liability at the beginning of the year	168.43	134.66
Expense as recognised in the statements of profit and loss	(2.82)	33.77
Benefits paid	(3.73)	-
Liability at the end of the year	161.88	168.43

Current and non current classification	As at 31 March 2025	As at 31 March 2024
Current	3.87	2.93
Non-current	158.01	165.50

Actuarial assumptions	31 March 2025	31 March 2024
Discount rate (p.a.) **	6.50%	7.00%
Salary escalation rate (p.a.) ***	9.00%	9.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (Modified) Ult.	Indian Assured Lives Mortality (2006-08) (Modified) 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 2025	Year ended 31 March 2024
Actuarial loss / (gain) on obligations	(63.07)	(40.89)

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

	31 March 2025	31 March 2024	31 March 2023	31 March 2022	31 March 2021
Present value of obligation	161.88	168.43	134.66	76.65	42.04
Fair value of plan assets	-	-	-	-	-
Deficit	161.88	168.43	134.66	76.65	42.04
Experience adjustments:					
On plan liabilities:- (gain) / loss	(63.07)	(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.

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PEP Technologies Private Limited**Note to the consolidated significant accounting policies and other explanatory information**

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

(ii) Leave encashment

The leave obligations cover the Company's liability towards leave encashment for year end unutilised leave balances.

The amount of the provision of ₹ 49.61 lakhs (31 March 2024 – ₹ 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 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

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

b. Transactions with related parties

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Remuneration *		
Mr. Tarun Sharma	82.18	132.18
Mr. Vikas Lachhwani	59.38	132.18
Mrs. Vaishali Gupta	64.68	68.84
Reimbursement of expenditure		
Mr. Tarun Sharma	17.17	17.04
Mr. Vikas Lachhwani	39.27	15.68
Mrs. Vaishali Gupta	12.92	12.19

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

Particulars	As at 31 March 2025	As at 31 March 2024
Salary payable		
Mr. Tarun Sharma	45.58	106.48
Mr. Vikas Lachhwani	6.48	107.09
Mrs. Vaishali Gupta	56.57	23.09

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

* All related party transactions are carried out at arm's length and in the ordinary course of business.

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 2025 in respect of operating leases is ₹ 868.19 lakhs (for the year ended 31 March 2024 - ₹ 464.94 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 2025	As at 31 March 2024
Not later than 1 year	747.00	243.00
Later than 1 year but not later than 5 years	-	147.00
Later than 5 years	-	-

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33 Expenditure in foreign currency	Year ended	Year ended
	31 March 2025	31 March 2024
Earnings		
Revenue from Sale of products	90.31	172.48
	90.31	172.48
Expenditure		
Advertising and sales promotion expenses	0.26	0.91
Web hosting and server support expenses	50.41	80.37
Professional fees	3.44	24.47
Travelling and conveyance	0.42	5.50
	54.53	111.25

34 The Holding Company has been sanctioned a working capital limit in excess of ₹ 5 crores, by banks on the basis of security of current assets during the year. Pursuant to the terms of the sanction letters the Holding Company is not required to file any quarterly return or statement with such banks or financial institutions.

35 Statement of Consolidated net assets and Consolidated (loss)/profit attributable to Owners and Minority Interest

For disclosures mandated by Schedule III of Companies Act, 2013, by way of additional information, refer below:

Name of the entities	Country of incorporation	% of effective holding as at 31 March 2025	Net Assets, i.e. total assets		Share in (loss)/profit	
			As % of consolidated net assets	Amount	As % of consolidated loss	Amount
Parent: PEP Technologies Private Limited	India		343.82%	3,784.48	26.80%	(472.56)
Subsidiaries: Kreative Beauty Private Limited	India	63.25%	-18.85%	(207.46)	73.20%	(1,290.57)
Subtotal			324.97%	3,577	100.00%	(1,763.14)
Adjustments arising out of consolidation			-224.97%	(2,476.30)		-
Total			100.00%	1,100.72	100.00%	(1,763.14)
Minority interest in subsidiaries Kreative Beauty Private Limited	India			-		-
Consolidated net assets / Loss after tax				1,100.72		(1,763.14)

Name of the entities	Country of incorporation	% of effective holding as at 31 March 2024	Net Assets, i.e. total assets		Share in (loss)/profit	
			As % of consolidated net assets	Amount	As % of consolidated loss	Amount
Parent: PEP Technologies Private Limited	India		128.61%	3,249.66	92.20%	(8,541.53)
Subsidiaries: Kreative Beauty Private Limited	India	49%	-1.66%	(41.96)	7.80%	(722.87)
Subtotal			126.95%	3,208	100.00%	(9,264.40)
Adjustments arising out of consolidation			-26.95%	(680.91)		-
Total			100.00%	2,526.79	100.00%	(9,264.40)
Minority interest in subsidiaries Kreative Beauty Private Limited	India			-		-
Consolidated net assets / Loss after tax				2,526.79		(9,264.40)

36 Additional Information

- The Group 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)
- The Group has not revalued its Property, Plant and Equipment during the year.
- The Group 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.
- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Group has not been declared as Willful defaulter by any Banks, Financial institution or Other lenders.
- The Group do not have any transactions with companies struck off.
- The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 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 Holding Company.
- The Group has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- The Group 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.
- The Group 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.
- The Group 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).
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

37 The exceptional item pertains to Offline business of the Company that has been discontinued. A provision has been created for the products that will be returned by the customers.

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PEP Technologies Private Limited

Note to the consolidated significant accounting policies and other explanatory information

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

38 Audit trail

The Ministry of Corporate Affairs (MCA) has prescribed a 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 account, 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 account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Holding Company and its subsidiary, in respect of financial year commencing on 01 April 2024, have used three accounting software for maintaining their books of account, inventory management and generation of sales order, which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions, except for instances mentioned below:

A.For one accounting software used to maintain the company's accounting records the audit trail (edit log) could not sufficiently demonstrate whether the same was enabled and operated effectively throughout the year.

B.For one accounting software used for generation of sales order, in absence of any evidence at the application level, it could not be sufficiently demonstrated on whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions. Further in the absence of information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with AICPA Attestation Standards), it could not be sufficiently demonstrated on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year.

Based on management's assessment, this does not pose any impact on the company's financial impact, as all the other necessary controls in place are operating effectively. Additionally, the Company is actively working towards compliance with the audit trail requirements.

39 There are no capital commitments as at 31 March 2025 and as at 31 March 2024.

40 There are no pending litigations as at 31 March 2025 and as at 31 March 2024.

This is the notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information referred to in our report of even date.

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

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

SD/-

Yashwant M. Jain
Partner
Membership No.: 118782

Place : Mumbai
Date : 27 September 2025

SD/-

Tarun Sharma
Director
DIN: 07264165

Place : Mumbai
Date : 27 September 2025

SD/-

Vikas Lachhwani
Director
DIN: 02898317

Place : Bangalore
Date : 27 September 2025

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