

IMAGINE MARKETING  
LIMITED



ANNUAL  
REPORT  
23-24

boAt

1404

**Corporate Information**

**Board of Directors, Key Managerial Personnel & Senior Management Team**

Mr. Sameer Mehta	:	Whole-time Director & Chief Executive Officer <i>(w.e.f. May 04, 2023)</i>
Mr. Aman Gupta	:	Whole-time Director
Mr. Vivek Gambhir	:	Non-Executive Director <i>(w.e.f. May 04, 2023)</i>
Mr. Anish Saraf	:	Non-Executive Director
Mr. Aashish Kamat	:	Independent Director
Mr. Anand Ramamoorthy	:	Independent Director
Mr. Deven Waghani	:	Independent Director
Mrs. Purvi Sheth	:	Independent Director
Mr. Rakesh Thakur	:	Chief Financial Officer <i>(w.e.f. December 12, 2023)</i>
Mr. Shreekant Sawant	:	Company Secretary <i>(w.e.f. April 11, 2024)</i>
Mr. Gaurav Nayyar	:	Chief Operations Officer
Mr. Shashwat Singh	:	Chief Information Officer
Mr. Prashant Kamal	:	Head of India Manufacturing and Supply Chain

**Registered Office**

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

**Statutory Auditors**

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

**Registrar & Share Transfer Agent**

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

**Bankers**

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

**Corporate Office**

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

**Secretarial Auditors**

M/s. M Siroya and Company  
Company Secretaries, Mumbai

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# Imagine Marketing Limited

(formerly known as Imagine Marketing Private Limited)

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Website: [www.boat-lifestyle.com](http://www.boat-lifestyle.com)

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## NOTICE

Dear Members,

NOTICE is hereby given that the **11<sup>th</sup> (Eleventh) Annual General Meeting** (“AGM”) of the Members of Imagine Marketing Limited will be held on Wednesday, September 25, 2024 at 12.00 PM (IST) through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”) organized by the Company, to transact the following businesses:

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

### ORDINARY BUSINESSES

(1) **To receive, consider and adopt:**

- (a) **the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

- (b) **the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of Auditors thereon and in this regard, to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 and the report of the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

- (2) **To appoint a director in place of Mr. Anish Saraf (DIN: 00322784), who retires by rotation and being eligible offers himself for re-appointment, and in this regard, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Anish Saraf (DIN: 00322784), who retires by rotation at this meeting and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.”

- (3) **To re-appoint M/s BSR & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company and to consider and if thought fit, to pass the following Resolution, as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee

and the Board of Directors of the Company, M/s BSR & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W100022) be re-appointed as the Statutory Auditors of the Company to hold office for a second term of 5 (five) consecutive years from the conclusion of this 11<sup>th</sup> (Eleventh) Annual General Meeting (AGM) until the conclusion of the 16<sup>th</sup> (Sixteenth) AGM to be held in the year 2029, at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the audit.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof), be authorised on behalf of the Company, including but not limited to determine role and responsibilities/scope of work of the Statutory Auditors, to negotiate, finalise, amend, sign, deliver and execute the terms of appointment, including any contract or document in this regard and to alter and vary the terms and conditions of remuneration arising out of increase in scope of work, amendments to the Accounting Standards or the Companies Act, 2013 or Rules framed thereunder and such other requirements resulting in any change in the scope of work, etc., without being required to seek any further consent or approval of the Members of the Company and to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for the purpose of giving effect to this Resolution and with power to the Board to settle all questions, difficulties or doubts that may arise in respect of the implementation of this Resolution.”

#### **SPECIAL BUSINESSES**

- (4) **To consider and approve the remuneration to be paid to Mr. Aman Gupta (DIN: 02249682), Whole-time Director of the Company for the Financial Year 2024-25 and to consider and, if thought fit, to pass the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V to the Companies Act, 2013, pursuant to applicable Regulations, if any and Articles of Association of the Company and such other applicable provisions (including any statutory modification or re-enactment thereof), if any and on the recommendation of Nomination and Remuneration Committee and Board of Directors, the consent of the Members of the Company be and is hereby accorded for the payment of remuneration, in terms of the provisions of Schedule V to the Companies Act, 2013, for the financial year 2024-25 to Mr. Aman Gupta (DIN: 02249682), who was appointed as Whole Time Director of the Company for a period of five years with effect from July 5, 2022 by the Members at their 9<sup>th</sup> Annual General Meeting held on December 23, 2022 (9<sup>th</sup> AGM) on the terms and conditions including remuneration as mentioned therein, on the similar terms and conditions as approved by the members in their 9<sup>th</sup> AGM, which are reproduced herein below:

(a) **Remuneration:**

- (i) Remuneration of Rs. 2.50 Crore per annum;
- (ii) Performance Linked Bonus: Performance Linked Bonus shall not exceed 100% of Salary, which will be finalized at the discretion of the Board and/or the Nomination and Remuneration Committee, based on certain performance criteria and such other parameters as may be considered appropriate. The said Performance Linked Bonus shall be in addition to the Remuneration under (a) above;



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- (iii) The Company's contribution to provident fund, gratuity payment and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (a) above;
- (iv) Net Pay calculations are excluding of TDS as may be applicable under the Income Tax Act.
- (v) The aggregate of the Remuneration, Performance Linked Bonus and Perquisites and Allowances as aforesaid in any financial year shall not exceed the limit from time to time under Sections 197 & 198 and other applicable provisions, if any, of the Act and Rules made thereunder, read with Schedule V to the Act including any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible subject to the law;
- (vi) In the event of no profits or inadequacy of the profits of the Company during FY 2024-25, the Remuneration including the Performance Linked Bonus and Perquisites and Allowances as aforesaid will be paid to Mr. Aman Gupta, Whole Time Director as minimum remuneration for the financial year 2024-25 and in accordance with the applicable provisions of the Act, Rules thereunder and Schedule V to the Act.

**(b) Other Terms & Conditions:**

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

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Aman Gupta by way of salary, perquisites and other allowances and benefits shall be in accordance with the limits laid down in Section 197 read with Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof.

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

**RESOLVED FURTHER THAT** notwithstanding anything contained herein, if in the financial year 2024-25, the Company has no profits or its profits are inadequate, the Company may make payment of the above remuneration to Mr. Aman Gupta, Whole Time Director of the Company.

**RESOLVED FURTHER THAT** it is clarified that in respect of the remaining period of the tenure of Mr. Aman Gupta, i.e. w.e.f. April 1, 2025 to July 4, 2027, he shall continue to be paid the remuneration in accordance with the original resolution of the members passed in their 9<sup>th</sup> AGM.

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

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

- (5) **To consider and approve the remuneration to be paid to Mr. Sameer Mehta (DIN: 024945481), Whole-time Director and Chief Executive Officer of the Company for the Financial Year 2024-25 and to consider and, if thought fit, to pass the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V to the Companies Act, 2013, pursuant to applicable Regulations, if any and Articles of Association of the Company and such other applicable provisions (including any statutory modification or re-enactment thereof), if any and on the recommendation of Nomination and Remuneration Committee and Board of Directors, the consent of the Members of the Company be and is hereby accorded for payment of remuneration, in terms of the provisions of Schedule V to the Companies Act, 2013, for the financial year 2024-25 to Mr. Sameer Mehta (DIN: 02945481), who is presently a Whole Time Director & Chief Executive Officer (WTD & CEO) of the Company, and who was appointed as Whole Time Director of the Company for a period of five years with effect from July 5, 2022 by the members at their 9<sup>th</sup> Annual General Meeting held on December 23, 2022 (9<sup>th</sup> AGM) on the terms and conditions including remuneration as mentioned therein, on the similar terms and conditions as approved by the members in their 9<sup>th</sup> AGM, which are reproduced herein below:

**(a) Remuneration:**

- (i) Remuneration of Rs. 2.50 Crore per annum;
- (ii) Performance Linked Bonus: Performance Linked Bonus shall not exceed 100% of Salary, which will be finalized at the discretion of the Board and/or the Nomination and Remuneration Committee, based on certain performance criteria and such other parameters as may be considered appropriate. The said Performance Linked Bonus shall be in addition to the Remuneration under (a) above;
- (iii) The Company's contribution to provident fund, gratuity payment and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (a) above;



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- (iv) Net Pay calculations are excluding of TDS as may be applicable under the Income Tax Act.
- (v) The aggregate of the Remuneration, Performance Linked Bonus and Perquisites and Allowances as aforesaid in any financial year shall not exceed the limit from time to time under Sections 197 & 198 and other applicable provisions, if any, of the Act and Rules made thereunder, read with Schedule V to the Act including any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible subject to the law;
- (vi) In the event of no profits or inadequacy of the profits of the Company during FY 2024-25, the Remuneration including the Performance Linked Bonus and Perquisites and Allowances as aforesaid will be paid to Mr. Sameer Ahok Mehta, WTD & CEO as minimum remuneration for the financial year 2024-25 and in accordance with the applicable provisions of the Act, Rules thereunder and Schedule V to the Act.

**(b) Other Terms & Conditions:**

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

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Sameer Mehta by way of salary, perquisites and other allowances and benefits shall be in accordance with the limits laid down in Section 197 read with Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof.

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

**RESOLVED FURTHER THAT** notwithstanding anything contained herein, if in the financial year 2024-25, the Company has no profits or its profits are inadequate, the Company may make payment of the above remuneration to Mr. Sameer Mehta, WTD & CEO of the Company.

**RESOLVED FURTHER THAT** it is clarified that in respect of the remaining period of the tenure of Mr. Sameer Mehta, i.e. w.e.f. April 1, 2025 to July 4, 2027, he shall continue to be paid the remuneration in accordance with the original resolution of the members passed in their 9<sup>th</sup> AGM.

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

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

(6) **To consider and approve the remuneration to be paid to Non-Executive Director(s) and Independent Directors of the Company for the Financial Year 2024-25 and to consider and, if thought fit, to pass the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to (i) the provisions of Schedule V read with sections 149, 197, 198 and all other applicable provisions of the Companies Act, 2013, and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (“Act”) (ii) the applicable provisions of the Articles of Association of the Company, (iii) all other applicable laws, acts, rules, guidelines, circulars, directions and notifications and (iv) on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors of the Company and in furtherance to the resolution passed by the members at their 9<sup>th</sup> Annual General Meeting held on December 23, 2022, consent of the Members of the Company be and is hereby accorded to pay a fixed remuneration by way of a specified amount upto INR 15,00,000/- per annum per such Non-Executive Director(s) (NEDs) and Independent Directors (IDs) of the Company for the financial year 2024-25 or such other amount as may be decided by the Board of Directors from time to time (hereinafter referred to as the “Board” which term shall be deemed to include any committee constituted / may be constituted by the Board of Directors of the Company including the Nomination and Remuneration Committee, or any other person(s), for the time being exercising the powers conferred on the Board of Directors by this resolution and as may be authorized by the Board in this regard), notwithstanding that the aggregate amount of such remuneration may exceed one percent of the net profits of the Company as computed in the manner provided in section 198 of the Companies Act, 2013, with an authority to the Board of Directors to determine the manner and proportion in which the amount be distributed among the Non-Executive Director(s) and Independent Directors.

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

**RESOLVED FURTHER THAT** notwithstanding anything contained herein, if in the financial year 2024-25, the Company has no profits or its profits are inadequate, the Company may make





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payment of the above remuneration to Non-Executive Director(s) (NEDs) and Independent Directors (IDs) of the Company.

**RESOLVED FURTHER THAT** it is clarified that in respect of the remaining period, i.e., period beginning with April 1, 2025 and ending on March 31, 2027, each of the Non-Executive Director(s) and Non-Executive Independent Directors, for the time being and from time to time, shall continue to be paid the remuneration by way of commission in accordance with the original resolution of the members passed in their 9th AGM.

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

Place: Mumbai  
Date: August 13, 2024

**Registered Office:**

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e-mail: [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com)

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

Sd/-

**Shreekant Sawant**  
**Company Secretary**  
Membership No.: A30705



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## Notes:

- (1) Statement pursuant to Section 102(1) of the Companies Act, 2013 (the “Act”), in respect of the Special Business to be transacted at the 11<sup>th</sup> Annual General Meeting (“AGM”) is annexed hereto. Details of Directors whose appointment/re-appointment is proposed pursuant to Secretarial Standards on General Meeting (SS-2) is also provided.
- (2) In view of the General Circulars No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, Circular No. 02/2021 dated January 13, 2021, 10/2021 dated June 23, 2021, 19/2021 dated December 8, 2021, Circular No. 02/2022 dated May 05, 2022 and December 28, 2022 and Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (collectively referred to as “MCA Circulars”) allowed the Companies to hold their Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA Circulars, the Annual General Meeting of the Company is being held through VC / OAVM.
- (3) In view of the aforementioned circulars, this AGM of the Members is being held through VC/OAVM. Members are requested to join and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is provided in the notice.
- (4) Details of Directors whose remuneration is being fixed/approved and those who are retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the “Annexure II” to the Notice.
- (5) A statement pursuant to the provisions of Section 102(1) of the Act, relating to the Special Businesses to be transacted at the AGM, is annexed hereto.
- (6) Since the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, the facility for appointment of proxies by the members will not be available.
- (7) However, pursuant to sections 113 of the Act, representatives of the members may be appointed for the purpose of participation and voting in the meeting. The Institutional / Corporate Shareholders are required to send a scanned copy of its Board or governing body resolution/authorization etc., authorizing its representative to attend this AGM and to vote through VC on its behalf. The said Resolution/Authorization shall be sent to the Company to its designated email address at [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com).
- (8) In accordance with the Secretarial Standard-2 (SS-2) on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) read with Clarification/Guidance on applicability of SS-2 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
- (9) Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant for receiving all communications from the Company through electronically mode.
- (10) The Company has engaged the services of National Securities Depository Limited (NSDL) as the authorized agency for conducting of the e-AGM and providing e-voting facility.

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- (11) The remote e-voting period begins on Saturday, September 21, 2024 at 09:00 A.M. (IST) and ends on Tuesday, September 24, 2024 at 05:00 P.M. (IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 18, 2024, may cast their vote electronically. The Company has issued different classes of preference shares besides equity shares and each classes of preference shares are entitled to voting rights at all meetings of the equity shareholders on as if converted basis, i.e., fully diluted basis. Accordingly, the voting right of holders of equity shares and holders of each class of preference shares shall be reckoned in proportion to the share of the paid-up equity share capital of the Company and paid-up preference share capital of the Company respectively, as on the cut-off date, being Wednesday, September 18, 2024.
  - (12) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  - (13) In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.
  - (14) The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and relevant documents referred to in the Notice or explanatory statement will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an e-mail to [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com) mentioning their Folio No./DP ID and Client ID.
  - (15) The Board of Directors of the Company has appointed Mr. Mukesh Siroya, M Siroya and Company, Company Secretaries, failing him Ms. Bhavyata Acharya, Partner, Siroya and BA Associates, Practicing Company Secretaries, as Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
  - (16) The Scrutinizer, after scrutinizing the votes cast during the meeting and through remote e-voting, will, not later than 2 working days from the conclusion of the Meeting, make a consolidated Scrutinizer's report and submit the same to the Chairman of the AGM. The results declared along with the consolidated Scrutinizer's report shall be placed on the website of the Company (i.e. [www.boat-lifestyle.com](http://www.boat-lifestyle.com)) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - (17) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Wednesday, September 25, 2024.
  - (18) Members who would like to express their views or ask questions during the AGM may register themselves at [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com). The Speaker Registration will be open from Wednesday, September 11, 2024 at 09:00 a.m. (IST) to Tuesday, September 17, 2024 till 05:00 p.m. (IST). Only those Members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
  - (19) **Dispatch of AGM Notice alongwith Annual Report through Electronic mode:**

In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose e-mail address is registered

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with the Company/ Registrar and Transfer Agent/ Depository Participants/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company’s website. <https://www.boat-lifestyle.com/pages/investor-relations>

**(20) Instructions for attending the AGM and e-voting are as follows:**

- (i) In view of the MCA Circulars and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- (ii) Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- (iii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
- (iv) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- (v) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- (vi) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.boat-lifestyle.com/pages/investor-relations>. The Notice can also be accessed from the websites of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (vii) AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021, 10/2021 dated June 23, 2021, 19/2021 dated December 8, 2021, Circular No. 02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023.

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

The remote e-voting period begins on Saturday, September 21, 2024 at 09:00 A.M.(IST) and ends on Tuesday, September 24, 2024 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 18, 2024, may cast their vote electronically. The Company has issued different classes of preference shares besides equity shares and each classes of preference shares are entitled to voting rights at all meetings of the equity shareholders on as if converted basis, i.e., fully diluted basis. Accordingly, the voting right of holders of equity shares and holders of each class of preference shares shall be reckoned in proportion to the share of the paid-up equity share capital of the Company and paid-up preference share capital of the Company respectively, as on the cut-off date, being Wednesday, September 18, 2024.

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

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

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

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




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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the

Type of shareholders	Login Method
	<p>remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <ol style="list-style-type: none"> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the</li> </ol>

Type of shareholders	Login Method
	<p>system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at toll free no.: 022 - 4886 7000</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911</p>

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.



**(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.****How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

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

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [siroyam@gmail.com](mailto:siroyam@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre at [evoting@nsdl.com](mailto:evoting@nsdl.com)

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

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

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

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



# Imagine Marketing Limited

(formerly known as Imagine Marketing Private Limited)

CIN U52300MH2013PLC249758

Registered Office: Unit No. 204 & 205, 2nd floor in Wing-“D” & Wing-“E”,  
Corporate Avenue, Andheri Ghatkopar Link Road,  
Andheri (East), Mumbai-400093, Maharashtra, India  
Website: [www.boat-lifestyle.com](http://www.boat-lifestyle.com)

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

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

Place: Mumbai  
Date: August 13, 2024

### **Registered Office:**

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

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

Sd/-

**Shreekant Sawant**  
**Company Secretary**  
Membership No.: A30705



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

### **Item No. 3:**

M/s BSR & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), were appointed as Statutory Auditors of the Company for a period of 5 (five) years, until the conclusion of 11<sup>th</sup> AGM to be held in the year 2024.

In terms of the provisions of Section 139 (2) of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than 2 (two) terms of 5 (five) consecutive years.

M/s. BSR & Co. LLP are eligible for re-appointment for a second term of 5 (five) years and have given their consent for their re-appointment as Statutory Auditors of the Company and have issued a certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 read with section 141 of the Companies Act, 2013 (‘the Act’) and the rules made thereunder. Further, M/s BSR & Co. LLP have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder.

Based on the recommendation of Audit Committee in its Meeting held on August 13, 2024, the Board of Directors at their meeting held on August 13, 2024, approved the re-appointment of M/s BSR & Co. LLP (ICAI Firm Registration No. 101248W/W-100022), subject to the approval of the Members, as the Statutory Auditors of the Company to hold the office for a second term of 5 (five) consecutive years from conclusion of the 11<sup>th</sup> Annual General Meeting until the conclusion of the 16<sup>th</sup> Annual General Meeting of the Company to be held in the year 2029.

Members are requested to note that M/s BSR & Co. LLP, Chartered Accountants have consented to their appointment as Statutory Auditors of the Company and confirmed that their appointment, if made, would be within the limits specified under the Act and that they are not disqualified from being appointed as Statutory Auditors of the Company.

The remuneration payable to M/s BSR & Co. LLP shall be decided by the Board of Directors of the Company or by Audit Committee.

The fees for services in the nature of statutory certifications and other professional work will be in addition to the statutory audit fee as above and will be decided by the Company in consultation with the Auditors and will be subject to approval by the Board of Directors and / or the Audit Committee in the manner as mentioned in the resolution at Item No. 3 of the AGM Notice.

The Board of Directors recommend the ordinary resolution as set out at Item No. 3 of the Notice for the approval of the Members. None of the Directors, Key Managerial Personnel or their relatives are, financially or otherwise, concerned or interested in the Ordinary Resolution.

### **Item No. 4 and 5:**

Mr. Aman Gupta and Mr. Sameer Mehta were appointed as a Whole Time Directors (WTDs) of the Company for a period of five years with effect from July 5, 2022 by means of Special Resolutions passed by the Members at the 9<sup>th</sup> Annual General Meeting (9<sup>th</sup> AGM) of the Company held on December 23, 2022 on the terms and conditions including payment of remuneration as mentioned therein.



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Subsequently, Mr. Vivek Gambhir resigned as Chief Executive Officer with effect from March 15, 2023 and from Whole Time Director from May 4, 2023 and is presently a Non-Executive Director whereas Mr. Sameer Mehta is presently a Whole Time Director and Chief Executive Officer of the Company.

In view of the performance and tireless efforts of Mr. Aman Gupta, and Mr. Sameer Mehta in establishing new internal projects, improving the operational efficiency, and bringing in a new dynamic vision, road-map and professionalism for the Company’s growth, your Directors proposed their remuneration as proposed in the resolution set out in Item No. 4 and 5 for approval of Members.

While approving the remuneration of Mr. Aman Gupta and Mr. Sameer Mehta in the 9<sup>th</sup> AGM, the members had also inter alia approved the payment of “Minimum Remuneration” in the event of inadequacy or absence of profits, in any financial year or years during the tenure, subject to requisite approvals.

Further, pursuant to Section 197 of the Companies Act, 2013 read with Schedule V thereto, where a Company has no profits or its profits are inadequate, it may pay any remuneration to the managerial personnel provided that, amongst others, a statement along with a notice calling the general meeting contains certain information. With a view to enable the Company to continue to pay the due remuneration to its Whole Time Directors based on the approval of the members at the 9<sup>th</sup> AGM, it is proposed to seek re-approval of members for FY 2024-25 inter-alia, under Schedule V of the Companies Act, 2013 by providing appropriate and required disclosures in accordance with the clause (iv) of the second proviso of Para B of Section II of Part II of Schedule V to the Companies Act, 2013.

The Members are requested to note that there is no material change in the remuneration or other terms of appointment of Mr. Aman Gupta and Mr. Sameer Mehta as approved by the members in the 9<sup>th</sup> AGM and the resolutions at Item No. 4 and 5 are only enabling resolutions to permit the Company to make the payment of the remuneration, as per Schedule V to the Companies Act, 2013, as approved by the members at this AGM for the Financial Year 2023-24 in the event of any absence or inadequacy of profits.

The Nomination and Remuneration Committee on August 12, 2024 and the Board on August 13, 2024 respectively, subject to the approval of the Members of the Company at this AGM, accorded their approvals for payment of aforesaid remuneration to Mr. Aman Gupta, and Mr. Sameer Mehta for the Financial Year 2024-25 w.e.f. April 1, 2024 under Schedule V of the Act. The Board also, in the interest of the Company, recommends the aforesaid resolutions as set out in this Notice for approval of the Members at Item No. 4 and 5.

The Company has not defaulted in payment of dues to any bank or public financial institution or other secured creditor, if any. The Company has not issued any non-convertible debentures.

The terms and conditions and remuneration stated in Resolutions No. 4 and 5 of the Notice and its explanatory statement may be treated as a written memorandum setting out the terms and remuneration of Mr. Aman Gupta and Mr. Sameer Mehta respectively under Section 190 of the Act.

For this purpose, Special Resolutions are required to be passed in the General Meeting and accordingly, your approval is solicited by way of Special Resolutions.

Save and except Mr. Aman Gupta, Whole Time Director and Mr. Sameer Mehta, Whole Time Director & Chief Executive Officer and their relatives to the extent of their respective shareholding interest, if any, in the Company for Item No. 4 and 5, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 4 and 5.



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Website: [www.boat-lifestyle.com](http://www.boat-lifestyle.com)

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The information as required to be disclosed under clause (iv) of the second proviso of Para B of Section II of Part II of Schedule V to the Companies Act, 2013 is given in the Annexure – I to the Notice in respect of Mr. Aman Gupta and Mr. Sameer Mehta.

## **Item No. 6:**

The Members are requested to note that in accordance with the provisions of the Act, Members of the Company, at the 9<sup>th</sup> Annual General Meeting held on December 23, 2022, had accorded their approval for payment of remuneration by way of commission to Non- Executive Director(s) and Independent Directors of the Company, for a period of 5 (five) years commencing from financial year 2022-23 to financial year 2026-27, a specified amount or at a specified percentage of net profits, not exceeding in aggregate, 1% (one percent) of the net profits of the Company of each financial year calculated in accordance with Section 198 of the Act.

Pursuant to the resolution passed by the members at the 9<sup>th</sup> AGM, the Board of Directors had approved the payment of a fixed remuneration by way of a specified amount upto INR 15,00,000/- per such Non-Executive Director(s) (NEDs) and Independent Directors (IDs), from time to time, of the Company for a period of 5 (Three) years commencing with the payment for the financial year 2022-23 to financial year 2026-27, or as may be decided by the Board of Directors from time to time.

The Members are requested to note that the Ministry of Corporate Affairs has vide notification dated March 18, 2021 amended the provisions of Section 149, Section 197 and Schedule V of the Act to enable companies having no profits or inadequate profits to pay remuneration to its non-executive director(s) including independent directors provided the conditions specified under the Schedule V of the Act are complied with. Schedule V of the Act prescribes limits/criteria for payment of remuneration to non-executive directors in case of absence or inadequacy of profits, by obtaining approval of members of the Company by way of a resolution.

In view of the inadequacy of the profits and no profits in any given financial year including financial year 2024-25 and in order to enable the Company to appropriately compensate the Non-Executive Director(s) (NEDs) and Independent Directors (IDs), it is proposed to seek approval of Members under the provisions of, inter-alia, Schedule V to the Companies Act, 2013 for the financial year 2024-25 to pay a fixed remuneration of INR 15,00,000/- per annum per such NED and ID, from time to time, notwithstanding that the aggregate amount of such remuneration may exceed one percent of the net profits of the Company as computed in the manner provided in section 198 of the Companies Act, 2013, with an authority to the Board of Directors to determine the manner and proportion in which the amount be distributed among the Non-Executive Director(s) and Independent Directors.

Members may please note that considering the vast experience and expertise of Non- Executive Director and Independent Directors in their respective fields, and the need for them to devote time and efforts in helping the Company to take vital strategic decision, the Nomination & Remuneration Committee recommended on August 12, 2024 and the Board of Directors on August 13, 2024, subject to the approval of Members, approved payment of remuneration of upto INR 15 Lakhs per annum to each Non-Executive Director(s) and Independent Directors of the Company for the financial year 2024-25 under Schedule V of the Act. The payment of remuneration would be in addition to the sitting fees and other reimbursement payable to them for attending the meetings of the Board of the Directors and committees.

Brief profile(s) of the Non-Executive Director(s) and Independent Directors and disclosure(s) / information under the Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India are set out in Annexure to the AGM Notice.



# Imagine Marketing Limited

(formerly known as Imagine Marketing Private Limited)

CIN U52300MH2013PLC249758

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Andheri (East), Mumbai-400093, Maharashtra, India  
Website: [www.boat-lifestyle.com](http://www.boat-lifestyle.com)

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Members are requested to note that payment of remuneration to Non-Executive Independent Directors of the Company for the financial year 2024-25 under Schedule V read with Section 197 of the Companies Act, 2013, shall require approval of the Members of the Company by way of a Special Resolution.

The Resolution at Item No. 6 is an enabling resolution seeking approval of Members for payment of fixed remuneration to Non-Executive Director(s) and Independent Directors, for the financial year 2024-25 in accordance with the provisions of Schedule V to the Companies Act, 2013 as per the limits mentioned therein.

The Company has not defaulted in payment of dues to any bank or public financial institution or other secured creditor, if any. The Company has not issued any non-convertible debentures

The Board of Directors recommends the resolution set out at Item No. 6 of the AGM Notice to the Members for their consideration and approval, by way of a Special Resolution.

Except the Non-Executive Director and the Independent Directors of the Company and their relatives, none of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the AGM Notice.

Information as required to be disclosed under clause (iv) of the second proviso after Para B of Section II of Part II of Schedule V to the Act is mentioned in Annexure I

Place: Mumbai  
Date: August 13, 2024

**Registered Office:**

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Andheri (East), Mumbai-400093, Maharashtra, India  
Tel. No.: +91-22-62102400  
CIN: U52300MH2013PTC249758  
Website: [www.boat-lifestyle.com](http://www.boat-lifestyle.com)  
e-mail: [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com)

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

Sd/-

**Shreekant Sawant**  
**Company Secretary**  
Membership No.: A30705



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## Annexure – I

### THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE ACT IN RESPECT TO RESOLUTION NO. 6, 7 AND 8 OF THE NOTICE

#### I. GENERAL INFORMATION

##### 1. Nature of Industry

The Company is into business of manufacturing, buying, selling, reselling, importing, transporting, storing, developing, promoting, marketing or supplying, trading, dealing, in any manner whatsoever in all kinds of Consumer Electrical Appliances, Consumer Electronic devices, gadgets and its components on retail as well as wholesale basis across both offline and online channels.

##### 2. Date or expected date of commencement of commercial production:

The Company was incorporated on November 01, 2013 and commenced the business activities in 2014.

##### 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable.

##### 4. Financial performance based on given indicators:

(INR in Crore)

Financial year	2023-24	2022-23	2021-22
Audited Revenue	3,121.60	3,284.76	2,886.41
Profit before Interest, Depreciation and Tax	14.02	(50.21)	148.91
Profit before Tax	(70.80)	(135.88)	109.04
Profit after Tax	(53.59)	(101.04)	78.82
Rate of Dividend	-	-	-
Earning per Share on fully diluted basis	(5.54)	(10.46)	5.84

##### 5. Foreign investments or collaborations, if any:

The Company has made overseas direct investments in its wholly owned subsidiary Company in Singapore. The Company has also received foreign direct investments from overseas/foreign entities.

The Company has not made any Foreign Collaboration.

#### II. INFORMATION ABOUT THE APPOINTEE(S):

##### 1. Mr. Aman Gupta, Whole Time Director

##### a) Background details, Job Profile and his suitability, recognition or awards:

Mr. Aman Gupta is Whole-time Director of the Company. He is one of the founders and Promoters of our Company. He holds a post-graduate degree in management from Indian School of Business, Hyderabad and is a qualified chartered accountant with the Institute of Chartered Accountants of India.

He is also the Chief Marketing Officer of our Company and heads the marketing department for all brands in our Company's portfolio.





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In the year 2021, he was recognised ET 40 under 40 by Economic Times and BW 40 under 40 by BW Businessworld. In the year 2020, he was awarded ‘Entrepreneur of the Year’ in Product or Manufacturing Business Entrepreneur Media and was awarded ‘Super 30 CMOs’ by IAMAI & iProspect and in the year 2019, he was awarded ‘India’s Hottest Entrepreneur’ by BW Businessworld and recognised as Rising Stars Entrepreneurs Tech 25 Class of 2019 in the Entrepreneur Magazine.

**b) Past remuneration and remuneration proposed:**

Details on proposed remuneration have been stated in Resolution no. 4 of the Notice. In monetary terms, the remuneration for the last 3 financial years is given hereunder:

Financial Year	INR in Crore		
	2023-24	2022-23	2021-22
Mr. Aman Gupta	2.50	2.50	1.63

**c) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of origin):**

Considering the size of the Company, responsibilities allocated to Mr. Aman Gupta, his contribution in the growth of business, the relevance of his experience and expertise in marketing and branding, his remuneration is commensurate with the general industry standards.

**d) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

As on date of this notice, Mr. Aman Gupta has no pecuniary relationship with the Company except remuneration drawn as Whole-Time Director of the Company and to the extent of shareholding in the Company. Mr. Aman Gupta has no relationship with any key managerial personnel of the Company. As on date of this notice, he holds 3,83,70,000 equity shares in the Company in his personal capacity.

**2. Mr. Sameer Mehta, Whole-Time Director and Chief Executive Officer**

**a) Background details, Job Profile and his suitability, Recognition or awards:**

Mr. Sameer Mehta is Whole-time Director of the Company. He is also the Chief Executive Officer of our Company. He is one of the founders and Promoters of our Company. He holds a bachelor’s degree in commerce from University of Mumbai. He has experience in supply chain, general business operations, technology, product research and development.

In the year 2019, he was recognised as Rising Stars Entrepreneurs Tech 25 Class of 2019 in the Entrepreneur Magazine.

**b) Past remuneration and remuneration proposed:**

Details on proposed remuneration have been stated in Resolution no. 5 of the Notice. In monetary terms, the remuneration for the last 3 financial years is given hereunder:

### INR in Crore

Financial Year	2023-24	2022-23	2021-22
Mr. Aman Gupta	2.50	2.50	1.63

**c) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of origin):**

Considering the size of the Company, responsibilities allocated to Mr. Sameer Mehta, contribution to the growth of business, relevance of experience and expertise in supply chain, general business operations, technology, product research and development, his remuneration is commensurate with the general industry standards.

**d) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

As on date of this notice, Mr. Sameer Mehta has no pecuniary relationship with the Company except remuneration drawn as Whole-Time Director of the Company and to the extent of shareholding in the Company. Mr. Sameer Mehta has no relationship with any key managerial personnel of the Company. As on date of this notice, he holds 3,83,70,000 equity shares in the Company in his personal capacity.

### 3. Non-Executive Director(s) and Independent directors

**e) Background details, Job Profile and his suitability, Recognition or awards:**

**(i) Mr. Aashish Kamat:**

Mr. Aashish Kamat is an Independent Director of the Company. He holds a bachelor’s degree in arts from the Franklin and Marshall College and is a member of the Pennsylvania Institute of Certified Public Accountants. He was previously the managing director in corporate & investment bank department of JP Morgan Chase Bank, N.A, the Chief Financial Officer and Managing Director of Bank of America (GCIB), Chief Executive Officer of UBS AG, Mumbai Branch, India, Managing Director of UBS AG, Hong Kong Branch and Managing Director, Chief Operating officer of L Catterton Asia.

**(ii) Mr. Anand Ramamoorthy:**

Mr. Anand Ramamoorthy is an Independent Director of the Company. He holds a bachelor’s degree in engineering (metallurgical engineering) from University of Roorkee, a master’s degree in mechanical engineering from Auburn University and a master’s degree in business administration from Santa Clara University. He currently serves as the Vice-President & Managing Director, India Country Executive of Micron Technology Operations India LLP. He was previously associated with Marvell Semiconductors, Inc. as senior director of India business development, and McAfee Software India Private Limited as senior director, sales.

**(iii) Mr. Deven Waghani**

Mr. Deven Waghani is an Independent Director of the Company. He holds a bachelor’s degree of technology in Chemical engineering from Indian Institute of Technology, Bombay, and a master’ degree in business administration from the University of Chicago. He also holds a post-graduate diploma in management from Indian Institute of Management, Calcutta. He was associated with McKinsey & Company as a senior engagement manager, Microsoft as senior

director – SBU strategy and business development, and Hewlett – Packard as vice president – strategy and planning. He also serves as the senior vice president – business operations, for Automation Anywhere Inc.

**(iv) Mrs. Purvi Sheth:**

Mrs. Purvi Sheth is an Independent Director of our Company. She holds bachelor degree in arts (Economics and Political Science) from St. Xavier’s College, Mumbai, University of Mumbai and she has completed the certificate of professional development program from the Wharton Business School, University of Pennsylvania. She has been associated with the firm, Shilputsi Consultants, for more than 25 years where she currently holds the position of Chief Executive Officer.

**(v) Mr. Vivek Gambhir:**

Mr. Vivek Gambhir is currently the Non- Executive Director of the Company. He holds a bachelor’s degree in science (computer science), a bachelor’s degree in arts (economics and business) from Lafayette College, Easton, Pennsylvania and a master’s degree in business administration from Harvard Business School, Boston, Massachusetts. He served as Chief Executive Officer of the Company till March 15, 2023 and his designation was changed in the Company from Whole-time Director to Non-Executive Director w.e.f. May 04, 2023. He was the Chief Executive Officer and Managing Director of Godrej Consumer Products Limited and the Chief Strategy Officer of Godrej Industries Limited. He was associated with Bain & Company India Private Limited as a partner and was a founding member of Bain & Company’s consulting operations in India. He has previously been the co-chair of the Confederation of Indian Industry, National FMCG Committee and served as the president of the Harvard Business School Club of India. He is currently on the advisory board of the Central Square Foundation and authors a leadership blog, [www.monday-8am.com](http://www.monday-8am.com).

**f) Past remuneration and remuneration proposed:**

Details on proposed remuneration have been stated in Resolution no. 6 of the Notice. In monetary terms, the remuneration for the last 3 financial years is given hereunder:

Financial Year	INR in Cr.		
	2023-24	2022-23	2021-22
Mr. Aashish Kamat	0.15	0.15	0.15
Mr. Anand Ramamoorthy	0.15	0.15	0.15
Mr. Deven Waghani	0.15	0.15	0.15
Mrs. Purvi Sheth	0.15	0.15	0.15
Mr. Vivek Gambhir*	0.15	2.96	2.46

\* Mr. Vivek Gambhir was paid remuneration as CEO & Whole-time Director of the Company. He has resigned from the post of CEO w.e.f. March 15, 2023 and as Whole-time Director w.e.f. May 04, 2023.

**g) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of origin):**

Considering the size of the Company, responsibilities allocated to Non-Executive Director(s) & Independent Directors, their contribution, the relevance of experience and expertise in the industry, their remuneration is commensurate with the general industry standards.

**h) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

As on date of this notice, the Non-Executive Director and Independent Directors have no pecuniary relationship with the Company except to the extent of Sitting Fees, Commission / Remuneration, as applicable which may be paid, and reimbursement of out of pocket expenses received by them for attending the meetings, if any. The Non-Executive Director and Independent Directors have no relationship with any key managerial personnel or directors of the Company.

As on date of this notice, Mr. Vivek Gambhir holds 20,14,000 Stock Options in the Company in his personal capacity. The Independent Directors do not hold any shares in the Company.

**III. OTHER INFORMATION:****1. Reason of loss or inadequate profits:**

The performance of audio business was flat in H2FY24, channel mix skewed towards online (increased salience of offline business), de-growth in headphones despite lower base and flat performance in speakers business.

With respect to wearables business, there was a steep decline in average selling price coupled with fierce competition leading to margin pressure, supply chain needs to become more agile and resilient. Further, the organic searches for boAt wearables came down, as the marketing spends were reduced.

While company continues to maintain market leadership and profitability in audio segment, it invested in building out its wearables business, a relatively newer but now a sizeable product line for the company (and a large market opportunity), via sales, marketing and pricing-related investments, due to which near term profitability has been impacted given the conscious strategic calls taken by management.

**2. Steps taken or proposed to be taken for improvement:**

The revenue of audio business continues to do well and has increased by 5% in FY24. The EBIDTA of audio business increased to 9% in FY24.

The key building blocks for the Company are to (i) Strengthen and maintain #1 position in audio by scaling up in-house platforms, portfolio revamp, channel mix optimization and stronger brand positioning (ii) Build Wearables as a sustainable second core with portfolio optimization, software led play, channel mix optimization and stronger brand positioning (iii) Razor sharp focus on margins by localization of components across products, COGS optimization, discounting rationalization, warranty cost optimization and operating leverage for fixed costs and (iv) Strengthen capabilities across the organization in the areas of automation and analytics, process improvements, etc.

**3. Expected increase in productivity and profits in measurable terms:**

The Company expects to increase its overall EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) and PBT (Profit before Tax) margins during FY 2024-25 as compared to FY 2023-24.



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The Company has rolled out multiple initiatives for warranty cost optimization, reduction in advertisement and promotion cost. Further, the Company spearheaded multiple structural improvements in financial controls, information technology and organization level improvements and continues to focus on such improvements in coming years.

#### **IV. Disclosures**

The disclosures on remuneration package and all other required details of each Director are contained in the audited financials. The Company is an unlisted public company and therefore the provisions of Corporate Governance Report are not applicable on the Company.

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## Annexure II

### Details of Directors whose remuneration is being fixed/approved and those who are retiring by rotation and seeking appointment/ re-appointment, at the 11<sup>th</sup> Annual General Meeting; [Pursuant to Secretarial Standards - 2 on General Meetings]

Particulars	Mr. Aman Gupta	Mr. Sameer Mehta	Mr. Vivek Gambhir	Mr. Aashish Kamat	Mr. Anand Ramamoorthy	Mr. Deven Waghani	Ms. Purvi Sheth
<b>DIN</b>	02249682	02945481	06527810	06371682	05277865	09434542	06449636
<b>Designation</b>	Whole Time Director	Whole Time Director and CEO	Non-Executive Director	Independent Director	Independent Director	Independent Director	Independent Director
<b>Father's name</b>	Mr. Neeraj Kumar Gupta	Late Mr. Ashok Ochavlal Mehta	Late Mr. Madan Mohan Gambhir	Mr. Ramdas Keshav Kamat	Mr. Laxminarayan Ramamoorthy	Mr. Pravinchandra Amulakh Waghani	Mr. Tarun Sheth
<b>Date of Birth</b>	03/03/1981	29/11/1976	27/11/1968	06/10/1965	07/06/1974	28/04/1965	31/05/1972
<b>Age</b>	41 Years	46 years	54 Years	57 Years	49 Years	58 Years	51 Years
<b>Nationality</b>	Indian	Indian	Indian	Indian	Indian	Indian	Indian
<b>Present residential address</b>	R-21, Huaz Khas Enclave, New Delhi-110016	A-2301, Omkar 1973, Pandurang Budhkar Marg, Near Shani Mandir, Neelam Centre, Worli, Mumbai 400030	House No. D-84, Malcha Marg, Chanakya Puri, New Delhi, Delhi, 110 021, India	The Imperial Edge, 2402, B B Nakashe Marg, Tardeo, Mumbai Central, Mumbai-400026, Maharashtra, India	C-1001, Akme Ballet Apartment, Doddanakudi Outer Ring Road, Doddanakundi, Bangalore North Marathahalli Colony, Bangalore-560037, Karnataka	8642 NE 7 <sup>th</sup> St. Medina, WA 98039	505/B, Eldorado, Kashinath Dhuru Lane, Off. Veer Savarkar Marg, Opposite Siddhi Vinayak Temple, Prabhadevi, Mumbai 400025, Maharashtra, India
<b>Qualification</b>	Chartered Accountant, Post-Graduate degree in management from Indian School of Business, Hyderabad	B.Com.	<ul style="list-style-type: none"> <li>Bachelor's degree in science (computer science)</li> <li>Bachelor's degree in arts (economics and business) from Lafayette College, Easton, Pennsylvania</li> <li>Master's degree in business administration from Harvard Business School, Boston, Massachusetts</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's Degree in Arts, Franklin and Marshall Collage</li> <li>Certified Public Accountants, Pennsylvania Institute</li> </ul>	B.E. (Metallurgical Engineering) M.E. (Mechanical Engineering) M.B.A.	<ul style="list-style-type: none"> <li>B.Tech. (Chemical Engineering), IIT Bombay</li> <li>Post Graduate Diploma in Management, IIM, Calcutta</li> <li>Master Degree in Business Administration, University of Chicago</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Arts (economics and political science) University of Mumbai</li> <li>Certificate of professional development program from the Wharton Business School, University of Pennsylvania</li> </ul>
<b>Brief Profile/Experience/ expertise</b>	Mr. Aman Gupta is Whole-time Director of	Mr. Sameer Mehta is Whole-time Director of	Mr. Vivek Gambhir is currently the Non-	Mr. Aashish Kamat is an Independent	Mr. Anand Ramamoorthy is an Independent	Mr. Deven Waghani is an	Mrs. Purvi Sheth is an Independent



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Particulars	Mr. Aman Gupta	Mr. Sameer Mehta	Mr. Vivek Gambhir	Mr. Aashish Kamat	Mr. Anand Ramamoorthy	Mr. Deven Waghani	Ms. Purvi Sheth
<b>in specific functional areas</b>	<p>the Company. He is one of the founders and Promoters of our Company. He holds a post-graduate degree in management from Indian School of Business, Hyderabad and is a qualified chartered accountant with the Institute of Chartered Accountants of India.</p> <p>He is also the Chief Marketing Officer of our Company and heads the marketing department for all brands in our Company's portfolio.</p>	<p>the Company. He is also the Chief Executive Officer of our Company. He is one of the founders and Promoters of our Company. He holds a bachelor's degree in commerce from University of Mumbai. He has experience in supply chain, general business operations, technology, product research and development.</p>	<p>Executive Director of the Company. He holds a bachelor's degree in science (computer science), a bachelor's degree in arts (economics and business) from Lafayette College, Easton, Pennsylvania and a master's degree in business administration from Harvard Business School, Boston, Massachusetts. He served as Chief Executive Officer of the Company till March 15, 2023 and his designation was changed in the Company from Whole-time Director to Non-Executive Director w.e.f. May 04, 2023. He was the Chief Executive Officer and Managing Director of Godrej Consumer Products Limited and the Chief Strategy Officer of Godrej Industries Limited. He was associated with Bain &amp; Company India Private Limited as a partner and was a founding member of Bain &amp; Company's consulting operations in India. He has previously been the co-chair of the Confederation of Indian Industry, National FMCG Committee and served as the president of the</p>	<p>Director of the Company. He holds a bachelor's degree in arts from the Franklin and Marshall College and is a member of the Pennsylvania Institute of Certified Public Accountants. He was previously the managing director in corporate &amp; investment bank department of JP Morgan Chase Bank, N.A, the Chief Financial Officer and Managing Director of Bank of America (GCIB), Chief Executive Officer of UBS AG, Mumbai Branch, India, Managing Director of UBS AG, Hong Kong Branch and Managing Director, Chief Operating officer of L Catterton Asia</p>	<p>Director of the Company. He holds a bachelor's degree in engineering (metallurgical engineering) from University of Roorkee, a master's degree in mechanical engineering from Auburn University and a master's degree in business administration from Santa Clara University. He currently serves as the Vice-President &amp; Managing Director, India Country Executive of Micron Technology Operations India LLP. He was previously associated with Marvell Semiconductors, Inc. as senior director of India business development, and McAfee Software India Private Limited as senior director, sales.</p>	<p>Independent Director of the Company. He holds a bachelor's degree of technology in Chemical engineering from Indian Institute of Technology, Bombay, and a master's degree in business administration from the University of Chicago. He also holds a post-graduate diploma in management from Indian Institute of Management, Calcutta. He was associated with McKinsey &amp; Company as a senior engagement manager, Microsoft as senior director – SBU strategy and business development, and Hewlett – Packard as vice president – strategy and planning. He also serves as the senior vice president – business operations, for Automation</p>	<p>Director of our Company. She holds bachelor degree in arts (Economics and Political Science) from St. Xavier's College, Mumbai, University of Mumbai and she has completed the certificate of professional development program from the Wharton Business School, University of Pennsylvania. She has been associated with the firm, Shilputsi Consultants, for more than 25 years where she currently holds the position of Chief Executive Officer.</p>



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Particulars	Mr. Aman Gupta	Mr. Sameer Mehta	Mr. Vivek Gambhir	Mr. Aashish Kamat	Mr. Anand Ramamoorthy	Mr. Deven Waghani	Ms. Purvi Sheth
			Harvard Business School Club of India. He is currently on the advisory board of the Central Square Foundation and authors a leadership blog, <a href="http://www.monday-8am.com">www.monday-8am.com</a> .			Anywhere Inc.	
<b>Terms and conditions of appointment</b>	Appointment as whole-time director for the period of five years as per the terms and conditions set out in the notice.	Appointment as whole-time director for the period of five years as per the terms and conditions set out in the notice.	Appointment as Non-Executive Director of the Company liable to retire by rotation.	Appointment as an Independent Director with period of 5 Years not liable to retire by rotation	Appointment as an Independent Director with period of 5 Years not liable to retire by rotation	Appointment as an Independent Director with period of 5 Years not liable to retire by rotation	Appointment as an Independent Director with period of 5 Years not liable to retire by rotation
<b>Details of remuneration sought to be paid</b>	INR 2.50 Crore per annum.	INR 2.50 Crore per annum.	INR 15 Lakhs per annum	INR 15 Lakhs per annum	INR 15 Lakhs per annum	INR 15 Lakhs per annum	INR 15 Lakhs per annum
<b>Remuneration last drawn</b>	INR 2.50 Crores per annum	INR 2.50 Crores per annum	INR 15 Lakhs per annum	INR 15 Lakhs per annum	INR 15 Lakhs per annum	INR 15 Lakhs per annum	INR 15 Lakhs per annum
<b>Date of first appointment on the Board</b>	01/11/2013	01/11/2013	20/04/2021	12/11/2021	12/11/2021	15/12/2021	12/11/2021
<b>Shareholding in the Company</b>	3,83,70,000 Equity Shares face value of INR 1/- each	3,83,70,000 Equity Shares face value of INR 1/- each	20,14,000 Stock Options	Nil	Nil	Nil	Nil
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Number of Meetings of the Board attended during the year</b>	4 out of 5 Board Meetings	5 out of 5 Board Meetings	5 out of 5 Board Meetings	5 out of 5 Board Meetings	4 out of 5 Board Meetings	3 out of 5 Board Meetings	5 out of 5 Board Meetings
<b>Directorship in other Companies</b>	1	3	6	2	3	Nil	9
<b>Membership/ Chairmanship of the committees of other Companies (consists of membership/chairmanship of Audit Committee, Nomination</b>	Nil	Nil	<u>Metropolis Healthcare Limited</u> (i) Member-Audit Committee (ii) Member-Nomination & Remuneration Committee	<u>IDFC First Bank Limited</u> (i) Chairman-Audit Committee (ii) Member-Nomination and Remuneration Committee	Nil	Nil	<u>Deepak Nitrite Limited</u> (i) Chairperson-Nomination & Remuneration Committee  <u>Kirloskar Oil Engines Limited</u>





# Imagine Marketing Limited

(formerly known as Imagine Marketing Private Limited)

CIN U52300MH2013PLC249758

Registered Office: Unit No. 204 & 205, 2nd floor in Wing-“D” & Wing-“E”,

Corporate Avenue, Andheri Ghatkopar Link Road,

Andheri (East), Mumbai-400093, Maharashtra, India

Website: [www.boat-lifestyle.com](http://www.boat-lifestyle.com)

Particulars	Mr. Aman Gupta	Mr. Sameer Mehta	Mr. Vivek Gambhir	Mr. Aashish Kamat	Mr. Anand Ramamoorthy	Mr. Deven Waghani	Ms. Purvi Sheth
and Remuneration Committee & Stakeholders' Relationship Committee)			(iii) Chairman-Stakeholders Relationship Committee  <u>Honasa Consumer Limited</u> (i) Member-Audit Committee (ii) Chairman-Nomination and Remuneration Committee				(i) Member-Nomination and Remuneration Committee  (ii) Member-Stakeholders Relationship Committee  <u>Ambuja Cements Limited</u> (i) Chairperson-Nomination & Remuneration Committee  <u>Shoppers Stop Limited:</u>  (i) Member - Nomination, Remuneration and Corporate Governance Committee  <u>Deepak Chem Tech Limited:</u>  (i) Chairperson - Nomination & Remuneration Committee

Place: Mumbai

Date: August 13, 2024

**Registered Office:**

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Tel. No.: +91-22-62102400

CIN: U52300MH2013PTC249758

Website: [www.boat-lifestyle.com](http://www.boat-lifestyle.com)

e-mail: [iml.secretarial@imaginemarketingindia.com](mailto:iml.secretarial@imaginemarketingindia.com)

By Order of the Board

**For Imagine Marketing Limited**

Sd/-

**Shreekant Sawant**

**Company Secretary**

Membership No.: A30705



# Imagine Marketing Limited

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## DIRECTORS' REPORT

To,  
The Members of  
Imagine Marketing Limited

Your Directors present their 11<sup>th</sup> Annual Report on the business and operations of Imagine Marketing Limited (“the Company”) along with the audited standalone and consolidated financial statements for the financial year (hereinafter referred to as ‘FY’) ended March 31, 2024.

### (1) FINANCIAL PERFORMANCE

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

PARTICULARS	Standalone (Amount INR in million)		Consolidated (Amount INR in million)	
	For the financial year ended 31.03.2024	For the financial year ended 31.03.2023	For the financial year ended 31.03.2024	For the financial year ended 31.03.2023
Total Income	31,216.04	32,847.62	31,353.46	34,031.84
Less: Total Expenditure	31,924.04	34,206.44	32,335.90	35,620.74
Profit / (Loss) Before Tax	(708.00)	(1,358.82)	(962.53)	(1,637.12)
Less: Current Tax	0.16	-	6.48	6.17
Tax related to Earlier Years	-	-	0.36	0.23
Deferred Tax	(172.23)	(348.36)	(172.53)	(348.98)
Profit / (Loss) after Tax	(535.93)	(1,010.46)	(796.84)	(1,294.54)
Other Comprehensive Income/(Loss)	2.97	(0.76)	(52.97)	72.95
Total Comprehensive (Loss)	(532.96)	(1,011.22)	(849.81)	(1,221.59)
EPS Basic	(5.54)	(10.46)	(8.24)	(13.40)
EPS Diluted	(5.54)	(10.46)	(8.24)	(13.40)

### (2) ACCOUNTING STANDARDS

The financial statements of your Company for the year ended 31 March 2024 have been prepared under Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

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

### (3) DIVIDEND AND RESERVES

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

The Board has not proposed to transfer any amount to the General Reserves.



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## (4) TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

## (5) STATE OF COMPANY’S AFFAIRS AND REVIEW OF BUSINESS OPERATIONS

Your company is a digital-first consumer products company has an attractive offering of wide-ranging, high-quality, and aspirational lifestyle-focused consumer products at accessible price points under the flagship brand “boAt” in the wireless hearables and smartwatch segment. Your Company has established leading market positions in terms of volume and value in India across multiple consumer categories such as audio and smartwatch.

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

As on March 31, 2024, the Standalone Revenue from Operations stood at INR 31,037.78 Mn. as compared to INR 32,584.04 Mn. in the previous year March 31, 2023 registering a decline of 4.75%. During the financial March 31, 2024, the Company has incurred net loss INR (535.93) Mn. as compared to net loss of INR (1,010.46) Mn. for the corresponding financial year March 31, 2023.

As on March 31, 2024, the Standalone Revenue from Operations and other income stood at INR 31,216.04 Mn. as compared to INR 32,847.62 Mn. in the previous year March 31, 2023 registering a decline of 4.97%. During the financial March 31, 2024, the Company has incurred net loss INR (535.95) Mn. as compared to net loss of INR (1,010.46) Mn. for the corresponding financial year March 31, 2023.

At a consolidated level, your Company reported total revenue of INR 31,353.46 Mn. for the Financial Year ended March 31, 2024 as compared to INR 34,031.84 Mn. in the previous year ended March 31, 2023 registering a decline of 7.87%. During the financial year ended March 31, 2024, the Company has incurred loss of INR (796.84) Mn. as compared to Loss of INR (1,294.54) Mn for the corresponding financial year March 31, 2023.

Your Directors are optimistic about the performance for the year 2024-2025.

## (6) CHANGE IN NATURE OF BUSINESS

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



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(7) **MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT AFTER THE BALANCE SHEET DATE**

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

(8) **MATERIAL EVENTS**

There have been no material events during the year under review.

(9) **CAPITAL STRUCTURE OF THE COMPANY**

(i) **Authorised Share Capital**

As on March 31, 2024, the authorised share capital of your Company stood at **INR 29,97,28,000 (Indian Rupees Twenty Nine Crore Ninety Seven Lacs Twenty Eight Thousand)** categorized as follows:

<b>Authorised Share Capital</b>	<b>Amount in INR</b>
16,08,28,000 Equity shares face value of INR 1/- each	16,08,28,000
1,62,709 Series A Compulsory Convertible Preference Shares face value of INR 10/- each	16,27,090
3,47,600 Series A1 Compulsory Convertible Preference Shares face value of INR 10/- each	34,76,000
24,891 Preference Share face value of INR 10/- each	2,48,910
17,158 Series B Compulsory Convertible Preference Shares face value of INR 6000/- each	10,29,48,000
1,771 Series B1 Compulsory Convertible Preference Shares face value of INR 6000/- each	1,06,26,000
66,58,000 Series C Compulsory Convertible Preference Shares face value of INR 3/- each	1,99,74,000
<b>TOTAL</b>	<b>29,97,28,000</b>

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

As on March 31, 2024, the paid-up share capital of your Company stood at Rs. 22,48,33,673 /- (Indian Rupees Twenty Two Crore Forty-Eight Lacs Thirty Three Thousand Six Hundred Seventy Three only) divided into 9,61,46,300 Equity shares face value of INR 1/- each, 1,62,400 Series A Compulsory Convertible Preference Shares face of INR 10/- each, 3,47,600 Series A1 Compulsory Convertible Preference Shares face value of INR 10/- each, 15,507 Series B Compulsory Convertible Preference Shares face value of INR 6000/- each, 1,762 Series B1 Compulsory Convertible Preference Shares face value of INR 6000/- each, 66,57,791 Series C Compulsory Convertible Preference Shares face value of INR 3/- each.

**Changes in Paid-up Share Capital**

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



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## (a) Equity Shares

During the year under review the Company has allotted the following equity shares pursuant to exercise of ESOPs under the “Imagine Management Stock Option Plan-2021”:

Sr. No.	Date of Allotment	No. of Shares	Face Value per Share (in INR)	Issue Price per Share (in INR)	Total Consideration	Method of Allotment
1	December 05, 2023	50,000	1	141.87	70,93,726	Exercise of stock Options pursuant to Imagine Management Stock Option Plan-2021
<b>Total</b>		<b>50,000</b>			<b>70,93,726</b>	

## (10) EMPLOYEES’ STOCK OPTION PLAN(S)

As on the end of financial year, the Company had two Employees Stock Plans i.e. (i) Employees Stock Option Plan - 2023 and (ii) Management Stock Option Plan-2021. Pursuant to approval of the Board in its Meeting held on July 31, 2023 and approval of Shareholders via postal ballot on September 03, 2023, the implementation of new Imagine Employee Stock Option Plan 2023 was approved along with transfer of the outstanding options from the Employee Stock Option Plan 2019 to the Employee Stock Option Plan 2023.

The details regarding issue of employee stock options under the Employees Stock Option Plan-2019 (ESOP-2019), Management Stock Option Plan-2021 (MSOP-2021) and Employees Stock Option Plan 2023 (ESOP-2023) required to be furnished as per the provisions of Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 are as under:

Particulars	ESOP-2019	MSOP-2021	ESOP-2023
Total Number of options outstanding under the pool of respective scheme at the beginning of the year	42,02,652	20,64,000	Nil*
Options granted during the year	1,39,300	Nil	1,54,327
Options Vested as on March 31, 2024	17,26,345	20,14,000	Nil
Option exercised during the year	Nil	50,000	Nil
The total number of shares arising as result of exercise of option	Nil	50,000	Nil
Options lapsed during the year	5,15,227	Nil	1,991
The exercise price per option	The range of exercise price for options outstanding at the end of the year was INR 30.267 to INR 450.00	INR 141.88	Nil
Vesting Period of Options	1 Year to 4 Years	4 Years	4 years



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Particulars		ESOP-2019	MSOP-2021	ESOP-2023
Variation of term of Options	:	-	-	-
Money realized by exercise of options	:	Nil	Nil	Nil
Total number of options in force	:	38,26,725	20,14,000 <sup>^</sup>	1,52,336

\*came into force on September 03, 2023 and the outstanding options of 9,55,523 were transferred from ESOP-2019 to ESOP-2023.

<sup>^</sup>Nomination & Remuneration Committee on January 7, 2024 approved the closure of further grant from the unvested options of 34,34,000 options.

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

(i) Key Managerial Personnel (“KMPs”)

Particulars of ESOP Schemes	Name of KMPs	No of options granted	No. of Options outstanding
ESOP-2023	Mr. Rakesh Thakur, CFO	50,000	50,000

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

Particulars of ESOP Schemes	Relevant Financial Year	Name of KMPs	No of options granted	No. of Options outstanding
ESOP-2019	Financial Year 2023-24	(i) Mr. Arun Mittal	30,000	30,000
		(ii) Mr. Atul Vivek	60,000	0
		(iii) Mr. Rishabh Jain	13,300	13,300
		(iv) Mr. Wasif Kalim	8,000	8,000
		(v) Mr. Gowtham Dhanpal	8,000	8,000
	Financial Year 2022-23	(i) Mr. Gaurav Nayyar	8,75,000	8,75,000
		(ii) Mr. Shyam Vedantam	1,50,000	1,50,000
		(iii) Mr. Sammyak Jain	1,50,000	1,50,000
	Financial Year 2021-22	(i) Mr. Prashant Kamal	2,00,000	2,00,000
		(ii) Mr. Shashwat Singh	1,70,000	1,70,000
		(iii) Mr. Prejith Narayan	1,60,000	1,60,000
		(iv) Mr. Ankur Sharma	2,20,000	1,10,000
	Financial Year 2020-21	(i) Mr. Jignesh Rambhia	2,00,000	2,00,000
		(ii) Mr. Daman Soni	3,00,000	-
	Financial Year 2019-20	(i) Mr. Sushant Dalmia	2,04,000	-
		(ii) Mr. Ankush Guglani	60,000	-
MSOP-2021	Nil	Nil	Nil	Nil
ESOP-2023	Financial Year 2023-24	(i) Mr. Prejith Narayan	20,000	20,000
		(ii) Mr. Ashmeet Singh	8,667	8,667
		(iii) Mr. Prateek Agarwal	7,778	7,778
		(iv) Mr. Nikhil Chettyar	7,778	7,778



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Particulars of ESOP Schemes	Relevant Financial Year	Name of KMPs	No of options granted	No. of Options outstanding
		(v) Mr. Om Prakash Chouhan	13,333	13,333
		(vi) Mr. Vedansh Kumar	20,000	20,000
		(vii) Ms. Jyosmita Chintey	15,000	15,000

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

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

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

As on March 31, 2024, your Company has following subsidiaries and associate companies under its fold. The operating and financial performance of the subsidiary and associate companies has been covered in the AOC-1 forming part of the financial statements and enclosed as “**Annexure A**”.

Sr. No.	Name of the Company	Subsidiary/ Associate Company/JV
1	Dive Marketing Private Limited	Wholly Owned Subsidiary
2	Imagine Marketing Singapore Pte Ltd.	Wholly Owned Subsidiary
3	HOB Ventures Private Limited	Wholly Owned Subsidiary
4.	KAHA Technologies Private Limited	Wholly Owned Subsidiary
5.	KAHA Pte Ltd., Singapore <sup>1</sup>	Wholly Owned Subsidiary
6.	KAHA Technology (ShenZhen) Co. Limited <sup>2</sup>	Wholly Owned Subsidiary
7.	Califonix Tech and Manufacturing Private Limited <sup>3</sup>	Associate Company (Joint Venture)
8.	Kimirica Lifestyle Private Limited <sup>4</sup>	Associate Company

1. *KAHA Pte. Ltd., Singapore (KAHA Singapore) is a wholly owned subsidiary of Imagine Marketing Singapore Pte. Limited (wholly owned subsidiary of the Company)*
2. *KAHA Technology (ShenZhen) Co. Limited is a wholly owned subsidiary of KAHA Singapore*
3. *Califonix Tech and Manufacturing Private Limited was incorporated as Joint Venture Company w.e.f. April 27, 2022.*
4. *Kimirica Lifestyle is an Associate Company of HOB Ventures Private Limited, Wholly owned Subsidiary of the Company*

### Joint Venture

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



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### **Highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company**

- (1) Dive Marketing Private Limited is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing, in any manner whatsoever in all kinds of consumer electrical appliances, consumer electronic devices, gadgets and its components on retail as well as wholesale basis in India or elsewhere.
- (2) Imagine Marketing Singapore Pte Limited is engaged in the business of wholesale trade of a variety of goods without a dominant product.
- (3) HOB Ventures Private Limited is engaged in the business of to acquire any of the businesses, in India and abroad, providing infrastructural facilities and managing, licensing of brands and to acquire directly or indirectly or through collaboration, joint venture, partnerships, strategic acquisitions in the companies, bodies corporate and other entities engaged in any of the business interests or similar businesses, and to carry on the above businesses either directly or through its affiliates and subsidiaries or under license and/or trade agreements in India and elsewhere.
- (4) KAHA Technologies Private Limited is engaged in the business of development, design, commission and implement specialized software in client server internet and other related technologies in India and abroad.
- (5) KAHA Pte Ltd., Singapore (KAHA Singapore) is engaged in the business of developing products in the Internet of Things (“IoT”) space and has a technology-focused platform for wearables through patented Artificial Intelligence and Machine Learning capabilities, end-to-end smart wearable solutions (hardware and software), device agnostic and data driven smart IoT platforms, providing solutions and analyses for multiple use cases.
- (6) KAHA Technology (ShenZhen) Co. Limited is engaged in the business of development and sales of software and hardware of intelligent electronic products; technology development, technical consultation and technology transfer of intelligent electronic products; export of goods and technologies.
- (7) Califonix Tech and Manufacturing Private Limited is engaged in the business of Manufacturing of Consumer Electronics products including Bluetooth enabled audio devices.
- (8) Kimirica Lifestyle Private Limited is engaged in the business of in business of selling of Personal & Beauty care products. The company sells its products through online channels as well as offline stores.

A report highlighting the performance of each of the subsidiaries, associates and joint venture companies as per the Act, and their contribution to the overall performance of the Company is provided in the consolidated financial statement.

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

The Board of Directors, along with the Committees of the Board, provides leadership and guidance to the Company’s Management and directs, supervises, and controls the activities of the Company. The Board meets at regular intervals to discuss and decide on Company / business policy and strategy, apart





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from other Board business. The Board exhibits strong operational oversight with regular business presentations of meetings.

## (i) **Directors**

As on March 31, 2024, the Board comprises of the following Directors:

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

During the Year, Mr. Vivek Gambhir was appointed as Non-Executive Director of the Company pursuant to change in designation from Whole-time Director w.e.f. May 04, 2023 and the same was approved by the members through postal ballot dated June 08, 2023. Additionally, he was also appointed as the Chairman of the Board w.e.f. July 31, 2023. Further, Mr. Sameer Mehta, Whole Time Director, was appointed as Chief Executive Officer of the Company w.e.f. May 04, 2023 and the same was approved by the members through postal ballot dated June 08, 2023. Consequently, designation of Mr. Sameer Mehta is ‘Whole-Time Director & Chief Executive Officer.

The Board composition of your Company is in compliance with the requirements of the Companies Act, 2013 (“the Act”). The Board is of the opinion that the Independent Directors of the Company has the required integrity, expertise, and experience (including the proficiency) and are persons of high integrity and repute. They fulfill the conditions specified in the Act as well as the Rules made thereunder and are independent of the management.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its Meeting held on September 22, 2023 and Shareholders at their Annual General Meeting held on October 30, 2023 had approved the remuneration to directors for financial year ended March 31, 2024, as mentioned below:

- (i) Payment of remuneration of Rs. 2.50 crores per annum each to Mr. Aman Gupta (DIN: 02249682), Whole Time Director of the Company and Mr. Sameer Mehta (DIN: 024945481), Whole time Director & Chief Executive Officer of the Company.
- (ii) Payment of remuneration of Rs. 15 lakhs each to the Non-Executive Directors and Independent Directors of the Company for the financial year 2023-24.

Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its Meeting held on August 13, 2024 approved the remuneration to directors for financial year ending March 31, 2025 and recommended the same to the shareholders at the ensuing Annual General Meeting, as mentioned below:

- (i) Payment of Remuneration of Rs. 2.50 crores per annum each to Mr. Aman Gupta (DIN: 02249682), Whole Time Director of the Company and Mr. Sameer Mehta (DIN: 024945481),



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Whole time Director & Chief Executive Officer of the Company for the financial year 2024-25.

(ii) Payment of remuneration of Rs. 15 lakhs each to the Non-Executive Directors and Independent Directors of the Company for the financial year 2024-25.

## (ii) **Director Liable for Retire by Rotation**

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Anish Saraf (DIN : 00322784), Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for reappointment. Your Directors recommend his re-appointment at the ensuing Annual General Meeting.

## (iii) **Key Managerial Personnel**

In compliance with provisions of Section 203 of the Act, following are the KMPs of the Company as on March 31, 2024:

Sr. No.	Name	Designation
1.	Mr. Sameer Ashok Mehta	Chief Executive Officer
2.	Mr. Rakesh Thakur	Group Chief Financial Officer

During the year under review, Mr. Mukesh Ranga resigned as CS w.e.f. October 13, 2023 and in his place Mr. Shreekant Sawant was appointed as CS w.e.f. April 11, 2024.

During the year under review, Mr. Ankur Sharma resigned as CFO w.e.f. December 12, 2023 and in his place Mr. Rakesh Thakur was appointed as the CFO w.e.f. December 12, 2023.

During the year under review, Mr. Vivek Gambhir was appointed as Non-Executive Director of the Company pursuant to change in designation from Whole-time Director w.e.f. May 04, 2023 and Mr. Sameer Ashok Mehta was appointed as the CEO of the Company w.e.f. May 04, 2023.

## (iv) **Meetings of the Board**

During the year under review, 5 (Five) Board Meetings were duly convened and held on May 04, 2023, July 31, 2023, September 22, 2023, December 12, 2023 and March 27, 2024.

## (v) **Board Committees**

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

### (a) **Audit Committee**

Pursuant to the provisions of Section 177 of the Companies Act, 2013, the Board of Directors has constituted the Audit Committee of the Company. As on March 31, 2024 the Audit Committee was comprised of the following members:

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

During the year under review, 3 meetings of the Audit Committee were held on September 21, 2023, September 22, 2023 and March 27, 2024. All the recommendations made by the Audit Committee were considered and accepted by the Board.

**(b) Nomination and Remuneration Committee**

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Board of Directors, has constituted the Nomination and Remuneration Committee of the Company. As on March 31, 2024 the Nomination and Remuneration Committee was comprised of the following members:

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

During the year under review, 2 meetings of Nomination and Remuneration Committee were held on June 26, 2023 and December 12, 2023. The Nomination and Remuneration policy is available on the website of the Company i.e. <https://www.boat-lifestyle.com/pages/policies>.

**(c) Corporate Social Responsibility Committee**

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board of Directors, has constituted the Corporate Social Responsibility (CSR) Committee of the Company. As on March 31, 2024 the CSR Committee was comprised of the following members:

Sr. No.	Name of Director	Designation
1.	Mr. Aman Gupta	Chairperson
2.	Mr. Vivek Gambhir	Member
3.	Mrs. Purvi Sheth	Member

During the year under review, one meeting of CSR Committee was held on May 30, 2023.

The CSR Committee has formulated and recommended CSR Policy to the Board. The CSR policy indicates the activities to be undertaken by the Company, which have been approved by the Board. The CSR Policy is available on the website of the Company at <https://www.boat-lifestyle.com/pages/policies>.

During the financial year 2023-24, your Company was required to spend INR 66,00,000/- (2% of the average net profits of the last three financial years) on CSR . As on March 31, 2024, your Company has spent INR 72,95, 900/- towards CSR activities i.e. Promoting education, livelihood enhancement projects, making available safe drinking water, empowering women, etc. There is no unspent amount remains toward CSR liabilities for the financial year 2023-24.

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

**(d) Stakeholder Relationship Committee**

Your Company has constituted the Stakeholder Relationship Committee to re-address the grievance of the stakeholders. As on March 31, 2024, the composition of committee was as follows:

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

**(e) Risk Management Committee**

You Company has constituted Risk Management Committee to identify and access the key risk areas, oversee the risk mitigation strategies and implementation thereof. As on March 31, 2024, the composition of committee was as follows:

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

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

**(13) DECLARATIONS BY INDEPENDENT DIRECTORS AND MEETING OF INDEPENDENT DIRECTORS**

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

During the year under review, the Independent Directors meeting was held on March 19, 2024.

**(14) POLICY ON DIRECTOR’S APPOINTMENT AND REMUNERATION**

The Board has adopted a Policy on appointment and remuneration of Directors and Key managerial Personnel which includes the criteria for determining qualifications, positive attributes, independence



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of a director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013. The Policy is available on the website of the Company at <https://www.boat-lifestyle.com/pages/policies>. The remuneration paid to the Directors and Senior Management personnel is as per Managerial Remuneration Policy of the Company.

## (15) PERFORMANCE EVALUATION

Pursuant to the provisions of the Section 178 of the Companies Act, 2013, the annual performance evaluation of the Board, its Committees and Individual Directors was conducted in accordance with the manner specified by the NRC. The Independent Directors carried out annual performance evaluation of the Chairperson, the non-independent Directors, and the Board as a whole. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on the report on evaluation received by it from respective Committees. A consolidated report on performance evaluation was shared with the Chairman of the NRC and Board for their review and giving feedback to each Director.

## (16) RISK MANAGEMENT

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

## (17) INTERNAL FINANCIAL CONTROLS

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

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

## (18) AUDITORS

### (a) Statutory Auditors

In terms of Section 139 of the Companies Act, 2013, M/s. BSR & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), were appointed as the Statutory Auditors of the Company for period of five years to hold office till the conclusion of 11<sup>th</sup> Annual General Meeting to be held in the year 2024. M/s. BSR & Co. LLP, Chartered Accountants, will be completing their current term of five years at the conclusion of the ensuing AGM. M/s. BSR & Co. LLP, Chartered Accountants, being eligible, offered themselves for re-appointment. Accordingly, in terms of Section 139 of the Act and the Rules made thereunder, the Board had on the



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recommendations of the Audit Committee, recommended the re-appointment of M/s. BSR & Co. LLP, Chartered Accountants for a second term of five consecutive years, to hold office from the conclusion of 11<sup>th</sup> Annual General Meeting till the conclusion of 16<sup>th</sup> Annual General Meeting of the Company to be held in the year 2029 for shareholders’ approval at the ensuing AGM.

As required under the provisions of Section 139(1) and 141 of the Act, read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from M/s BSR & Co. LLP, Chartered Accountants, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) to the effect that they are eligible to be appointed as Statutory Auditor of the Company and that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act.

## (b) Secretarial Auditors

During the year under review, your Board of Directors had appointed M/s. M. Siroya & Co., Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024, is annexed herewith marked as “**Annexure C**” to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer save and except disclaimer made by them in discharge of their professional obligation.

## (c) Cost Auditors

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

## (19) EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report except for the below. The Management Representation on the comments of the Statutory Auditors pertaining to financial year ended March 31, 2024 is as under:

Comments	Response
<p><b><u>Note 2B(f) of the Independent Auditor’s Report:</u></b> Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account relating to general ledger, inventory and customer order and billing management, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except that the feature of recording audit trail (edit log) facility was not enabled at the database level for the accounting softwares related to general ledger and inventory to log any direct data changes.</p>	<p>The audit trail feature at database level is available and activated in SAP accounting software. However, the System &amp; Organization Controls report did not have a mention of this and owing to log insufficiency, availability and usage of audit trail feature for SAP database could not be established.</p> <p>The Company is working with SAP for providing any alternate to meet this compliance requirement.</p>



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Comments	Response
<i>Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.</i>	

The other comments, if any, by the Auditors are self-explanatory and therefore do not require any further explanation or clarification from the Board of Directors.

## (20) DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS

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

## (21) CONSOLIDATED FINANCIAL STATEMENTS

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

## (22) CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in compliance with all the applicable provisions of the Act. Requisite approval of the Audit Committee and the Board (wherever required) was obtained by the Company for all Related Party Transactions. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are foreseeable and of a repetitive nature. During the financial year, the Company had not entered into any contract / arrangement / transaction with related parties which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. All contracts executed by our Company during the financial year with related parties were on arm’s length basis and in the ordinary course of business.

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

## (23) DIRECTORS’ RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards had been followed and there are no material departures from the same;
- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts are prepared on a going concern basis; and



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- (e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**(24) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The details of loans given, investments made under Section 186 of the Companies Act, 2013 have been provided in the notes to the financial statements. The Company has not given any guarantee or provided any security as specified under Section 186 of the Act.

**(25) VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

In accordance with the provisions of Section 177(9) of the Companies Act, 2013, the Company has established vigil mechanism by adopting a Whistle Blower Policy for the Directors and employees to report genuine concerns or grievances. The administration of the vigil mechanism is ensured through the Audit Committee. The Policy may be accessed on the Company's website at the link <https://www.boat-lifestyle.com/pages/policies>

This Policy inter-alia provides a direct access to the Chairman of the Audit Committee and affirms that no Director/employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

**(26) DEPOSITS**

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

**(27) POLICY FOR PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

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

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

**(28) PARTICULARS OF EMPLOYEES**

During the year under review, the Company is not listed. Therefore, the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.





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(29) **DISCLOSURE OF REMUNERATION OR COMMISSION RECEIVED BY A MANAGING OR WHOLE-TIME DIRECTOR FROM THE COMPANY’S HOLDING OR SUBSIDIARY COMPANY**

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

(30) **REGULATORY ACTION/APPROVAL**

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

(31) **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

(a) **Conservation of Energy**

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

(b) **Technology Absorption**

(i) **Efforts made towards technology absorption:** The technology focus for your Company has been on introducing products in both Audio and Wearables segment with latest Bluetooth technology, state of the art sound quality and several enhanced smart watch features.

(ii) **The benefits derived as a result of above efforts:** These initiatives supported the Company’s endeavour in bringing improvements in existing products and developing new products and cost reduction.

(iii) **Information regarding imported technology (Imported during last three years):** The Company has not imported any technology during the last three years.

(iv) **Expenditure incurred on research and development:** Nil



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## (c) Foreign Exchange Earning and Outgo

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

(Amount in INR Mn.)

Particulars	2023-24	2022-23
Foreign Currency Earnings	107.53	42.59
Foreign Currency Outgo	7,692.84	16,578.61

## (32) COMPLIANCE WITH SECRETARIAL STANDARDS

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

## (33) APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY & BANKRUPTCY CODE, 2016

During the year under review, neither the Company has not made any application under the Insolvency & Bankruptcy Code, 2016 nor any proceeding is pending against the Company under said Code.

## (34) THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE- TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

There was no such transaction during the FY 2023-24.

## (35) ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, the draft Annual Return of the Company for FY 23-24, in the prescribed Form MGT-7, is made available on the website of the Company i.e. <https://www.boat-lifestyle.com/pages/annual-report>. The Annual Return will be submitted to the Registrar of Companies within the timelines prescribed under the Act.

## (36) GENERAL DISCLOSURES UNDER THE COMPANIES ACT, 2013 READ WITH RULES FORMED UNDER THE ACT AND OTHER APPLICABLE LAWS

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



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(v) No equity shares were issued with differential rights as to dividend, voting or otherwise.

(vi) No Sweat Equity shares were issued.

(vii) The Company has not issued any Bonus Shares.

### (37) ACKNOWLEDGEMENT

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

**For and on behalf of the Board of Directors of  
Imagine Marketing Limited**

Sd/-

**Sameer Mehta  
Whole Time Director &  
Chief Executive Officer  
(DIN: 02945481)**

Sd/-

**Aman Gupta  
Whole Time Director  
(DIN: 02249682)**

**Date: August 13, 2024  
Place: Mumbai**

**FORM NO. AOC-1**

*(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)*

**Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures**

**Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs. million)

Name of the subsidiary	Dive Marketing Private Limited	Imagine Marketing Singapore Pte Limited	HOB Ventures Private Limited	KAHA Technologies Private Limited	KAHA Pte Ltd., Singapore <sup>^</sup>
	1	2	3	4	5
The date since when subsidiary was acquired	03/06/2021	29/11/2021	31/12/2021	02/02/2022	10/02/2022
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Financial Year 2023-24				
Reporting currency as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	USD	INR	INR	USD
Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	1	83.37	1	1	83.37
Share capital	0.10	2,872.93	310.10	0.10	1,153.69
Reserves & Surplus	(20.90)	(113.49)	(6.84)	70.79	(1,186.24)
Total assets	20.71	3,173.62	304.29	94.33	74.83
Total Liabilities	41.52	414.18	1.03	23.49	110.58
Investments	-	3,154.27	300.01	-	-
Turnover	1.01	0	0	173.64	492.80
Profit/ (Loss) before taxation	(8.79)	(54.81)	(0.88)	23.54	(124.23)
Provision for taxation	0	0	0	6.39	0
Profit after taxation	(8.79)	(54.81)	(0.88)	17.15	(124.23)
Proposed Dividend	0	0	0	0	0
<b>Extent of % of shareholding</b>	100%	100%	100%	100%	100%

<sup>^</sup> KAHA Pte Ltd. Singapore is a Step Down Wholly Owned Subsidiary of the Company

Notes:

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL

**Part “B”: Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/ Joint Ventures	Califonix Tech and Manufacturing Private Limited	Kimirica Lifestyle Private Limited
1	Latest audited Balance Sheet Date	31/03/2024	31/03/2024

Sr. No.	Name of Associates/ Joint Ventures	Califonix Tech and Manufacturing Private Limited	Kimirica Lifestyle Private Limited
2	Date on which the Associate or Joint Venture was associated or acquired	27/04/2022	23/02/2022 (through HOB Ventures Private Limited, wholly owned subsidiary)
3	Shares of Associate/Joint Ventures held by the company on the year end		
	(i) Number of Shares	2,15,50,000 Equity Shares face value of INR 10/- each	The Company through HOB Ventures Private Limited, wholly owned subsidiary, is holding: (i) 476 Equity Shares face value of INR 10/- each; (ii) 4,286 Compulsory Convertible Preference Shares (CCPS) face value of INR 10/- each
	(ii) Amount of Investment in Associates/Joint Venture (In INR Million)	215.50	300.01
	(iii) Extend of Holding %	50%	HOB Ventures Private Limited, wholly owned subsidiary of the Company is holding 33.33% shares / voting rights in the Company
4	Description of how there is significant influence	Direct Associate Company	Indirect Associate Company (through wholly owned subsidiary i.e. HOB Ventures Private Limited)
5	Reason why the associate / joint venture is not consolidated	As per Ind AS 28 "Investments in Associates" accounting is carried out as per equity method for the purpose of consolidation.	As per Ind AS 28 "Investments in Associates" accounting is carried out as per equity method for the purpose of consolidation.
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	260.21	11.99
7	Profit / Loss for the year		
	(i) Considered in Consolidation	52.01	(32.10)
	(ii) Not considered in Consolidation	-	-

Notes:

- Names of associates or joint ventures which are yet to commence operations: NIL
- Names of associates or joint ventures which have been liquidated or sold during theyear: NIL

**For and on behalf of the Board of Directors of  
Imagine Marketing Limited**

Sd/-  
**Aman Gupta**  
Whole-time Director  
(DIN: 02249682)

Sd/-  
**Sameer Mehta**  
Whole Time Director & Chief  
Executive Officer (DIN: 02945481)

Date: August 13, 2024  
Place: Mumbai

Sd/-  
**Rakesh Thakur**  
Chief Financial Officer

Sd/-  
**Shreekant Sawant**  
Company Secretary

**ANNEXURE B**

**The Annual Report on Corporate Social Responsibility  
for Financial Year ended March 31, 2024**

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

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

**2. Composition of CSR Committee:**

As on March 31, 2024, the composition of Corporate Social Responsibility (CSR) Committee was:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Aman Gupta	Chairperson	1	0
2	Mr. Vivek Gambhir	Member	1	1
3	Mrs. Purvi Sheth	Member	1	1

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

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

**4. Executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:**

Not Applicable for the financial year under review.

**5.**

#	Particulars		Amount (in Rs.)
(a)	Average net profit of the company as per section 135(5)	:	31,90,40,000
(b)	Two percent of average net profit of the company as per section 135(5)	:	63,80,800
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	:	Nil
(d)	Amount required to be set off for the financial year, if any	:	Nil
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	:	63,80,800

6.

#	Particulars		Amount (in Rs.)
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	:	72,95,900
(b)	Amount spent in Administrative Overheads	:	Nil
(c)	Amount spent on Impact Assessment	:	Not Applicable
(d)	Total amount spent for the Financial Year [(a) +(b) +(c)]:	:	72,95,900

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
72,95,900	Nil	-	-	Nil	-

(f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	63,80,800
(ii)	Total amount spent for the Financial Year	72,95,900
(iii)	Excess amount spent for the financial year [(ii)-(i)]	9,15,100
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	9,15,100

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135(6) of the Act (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
-	Nil	-	-	-	Nil	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No

If Yes, enter the number of Capital assets created/ acquired : Not Applicable for the year under review.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

#	Short particulars of the property or asset(s) [including Complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Nil							

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

Not applicable during the year under review.

**For and on behalf of Imagine Marketing Limited**

Sd/-

**Mr. Sameer Mehta**  
**Whole-time Director and Chief Executive Officer**  
**DIN: 02945481**

Sd/-

**Mr. Aman Gupta**  
**Chairperson, CSR Committee**  
**DIN: 02249682**



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

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

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

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

To,  
The Members,  
Imagine Marketing Limited,  
Unit no. 204 & 205, 2nd floor, D-wing & E-wing,  
Corporate Avenue, Andheri Ghatkopar Link Road  
Mumbai - 400093

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the relevant and applicable provisions of:

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

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

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

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

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

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

- (i) Mr. Vivek Gambhir (DIN: 06527810) resigned as Whole Time Director of the Company w.e.f. close of business hours on May 04, 2023 and was thereafter appointed as a Non-Executive, Non-Independent Director of the Company w.e.f. close of business hours on May 04, 2023 by the Board at their meeting held on May 04, 2023 and the same was approved by the members through postal ballot dated June 08, 2023. Mr. Gambhir was further appointed as Chairman of the Board with effect from July 31, 2023 by the Board at their meeting held on July 31, 2023.
- (ii) Mr. Sameer Mehta (DIN: 02945481), Whole Time Director of the Company was appointed as Chief Executive Officer of the Company by the Board at their meeting held on May 04, 2023 and the same was approved by the members through postal ballot dated June 08, 2023. Consequently, his designation is 'Whole-Time Director & Chief Executive Officer.'
- (iii) Mr. Mukesh Ranga resigned as Company Secretary & Compliance Officer of the Company with effect from close of the business hours of October 13, 2023.
- (iv) Mr. Ankur Sharma resigned as the Group Chief Financial Officer of the Company w.e.f. December 12, 2023.
- (v) Mr. Rakesh Thakur was appointed as the Group Chief Financial Officer of the Company w.e.f. December 12, 2023.

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

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

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

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

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

- (i) The Members of the Company have approved alteration of Articles of Association through postal ballot process on June 08, 2023.
- (ii) The Members of the Company have approved following resolutions through postal ballot process on September 03, 2023;
  - (a) Amendments in the "Imagine Employee Stock Option Plan - 2019 (ESOP 2019);
  - (b) Transfer of outstanding options from Imagine Employees Stock Option Plan -- 2019 to Imagine Marketing Employee Stock Option Plan 2023;
  - (c) Introduction of "Imagine Marketing Employee Stock Option Plan, 2023"; and
  - (d) Grant of employee stock options to the Employees/ Directors of subsidiary company(ies) of the Company under 'Imagine Marketing Employee Stock Option Plan 2023.
- (iii) The members at their Annual General Meeting held on October 30, 2023, inter-alia, approved the following:
  - (a) Waiver of recovery of excess managerial remuneration paid to Mr. Aman Gupta (DIN:-02249682), Whole Time Director of the Company for the Financial Year ended March 31, 2023;
  - (b) Waiver of recovery of excess managerial remuneration paid to Mr. Sameer Mehta (DIN: 02945481), Whole Time Director of the Company for the Financial Year ended March 31, 2023;
  - (c) Waiver of recovery of excess managerial remuneration paid to Vivek Gambhir (DIN :06527810) Director for the Financial Year ended March 31, 2023;
  - (d) Remuneration to be paid to Mr. Aman Gupta (DIN: 02249682), Whole Time Director of the Company for the Financial Year 2023-24;
  - (e) Remuneration to be paid to Mr. Sameer Mehta (DIN: 02945481), Whole Time Director of the Company for the FY 2023-24; and
  - (f) Remuneration to be paid to Non-Executive Director(s) and Independent Directors of the Company for the FY 2022-23 and 2023-24.

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

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- (iv) The Board of Directors through resolution passed by circulation dated December 05, 2023, inter-alia, approved the allotment of 50,000 Equity Share of INR 1/- each under the "Imagine Management Stock Option Plan – 2021";

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

**Mukesh Siroya**  
**Proprietor**  
**FCS No.: 5682**  
**CP No.: 4157**  
**PR No.: 1075/2021**  
**UDIN: F005682F001016252**

**Date: August 13, 2024**  
**Place: Mumbai**

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

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

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**'Annexure A'**

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

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

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

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

**Mukesh Siroya**  
**Proprietor**  
**FCS No.: 5682**  
**CP No.: 4157**  
**PR No.: 1075/2021**  
**UDIN: F005682F001016252**

**Date: August 13, 2024**  
**Place: Mumbai**

## Independent Auditor's Report

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

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

#### Opinion

We have audited the standalone financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Other Information

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

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

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

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

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

Registered Office:

## Independent Auditor's Report (Continued)

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

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

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

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

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

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

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

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

## Independent Auditor's Report (Continued)

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 01 April 2024 and 04 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements.
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 45 to the standalone financial statements.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of their knowledge and belief, other than as



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

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

disclosed in the Note 48 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 48 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
  - f. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account relating to general ledger, inventory and customer order and billing management, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except that the feature of recording audit trail (edit log) facility was not enabled at the database level for the accounting softwares related to general ledger and inventory to log any direct data changes.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

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

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

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to its directors in excess of the limit laid down under Section 197 of the Act has been approved by the shareholders. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

*Chartered Accountants*

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

**Amar Sunder**

*Partner*

Place: Mumbai

Date: 13 August 2024

Membership No.: 078305

ICAI UDIN:24078305BKAVFA5147

**Annexure A to the Independent Auditor’s Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2024**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 2 years. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

(All amount in Rs millions)

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
March 2024	Citi Bank, RBL, HDFC, ICICI, HSBC,	Inventory	4,293.23	4,308.71	(15.48)

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2024 (Continued)**

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
	SCB, Axis, DBS				
March 2024	Citi Bank, RBL, HDFC, ICI CI, HSBC, SC B, Axis, DBS	Trade Receivables	1,497.06	1,706.25	(209.19)

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies (Subsidiary and Joint Venture) and granted unsecured loans to a subsidiary company, in respect of which the requisite information is as below. The Company has not made any investments in, or granted any loans, secured or unsecured, to firms, limited liability partnerships and other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided unsecured loans as below:

(All amount in Rs millions)

Particulars	Loans	Advances in the nature of loans
Aggregate amount during the year		
Subsidiary*	10.00	-
Others**	-	-
Balance outstanding as at balance sheet date - 31 March 2024		
Subsidiary*	37.00	14.63
Others**	0.04	-

\*As per the Companies Act, 2013

\*\*Others represents interest free unsecured loans to employees as per the policies/practice of the Company

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of unsecured loans are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination

**Annexure A to the Independent Auditor’s Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2024 (Continued)**

of the records of the Company, loan given to wholly owned subsidiary company, Dive Marketing Private Limited amounting to Rs. 37.00 millions and interest thereon of Rs. 3.43 millions, are repayable on demand. As informed to us, the Company has not demanded repayment of the loan and interest during the year from Dive Marketing Private Limited. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans and advances in the nature of loans to related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 (“the Act”).

(All amount in Rs millions)

Particulars	Related Parties
Aggregate of loans and advances in the nature of loans	
- Repayable on demand (A)	37.00
- Agreement does not specify any terms or period of Repayment (B)	14.63
Total (A+B)	51.63
Percentage of loans and advances in the nature of loans to the total loans and advances in the nature of loans granted	99.92%

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not provided any guarantee or security as specified under Sections 185 and 186 of the Act. In respect of the investments made and loans given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with. The Company has not granted loans, nor made any investments to which the provisions of Section of 185 of the Act apply.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products sold by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

**Annexure A to the Independent Auditor’s Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2024 (Continued)**

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Duty of Customs which have not been deposited on account of any dispute are as follows:

(All amount in Rs Millions)

Name of the statute	Nature of the dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
Customs Act,1962	Custom Duty	341.98	-	June 2019 to December 2020	Comm. of Customs(I mport) ACC Sahar
Customs Act,1962	Custom Duty	93.92	-	February 2018 to February 2020	Comm. of Customs (Import) JNCH

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2024 (Continued)**

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and 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 or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC. Accordingly, clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses of Rs. 479.36 millions in the current financial year and Rs. 1,192.38 millions in the immediately preceding financial year.

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2024 (Continued)**

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

*Chartered Accountants*

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

**Amar Sunder**

*Partner*

Place: Mumbai

Membership No.: 078305

Date: 13 August 2024

ICAI UDIN:24078305BKAVFA5147



**Annexure B to the Independent Auditor's Report on the standalone financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2024**

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

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

**Opinion**

We have audited the internal financial controls with reference to financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

**Auditor's Responsibility**

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

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

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

**Annexure B to the Independent Auditor's Report on the standalone financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2024 (Continued)**

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

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

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

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

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

*Chartered Accountants*

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

**Amar Sunder**

*Partner*

Place: Mumbai

Membership No.: 078305

Date: 13 August 2024

ICAI UDIN:24078305BKAVFA5147

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

## Standalone Balance Sheet

As at 31 March 2024

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

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	214.27	210.06
Right-of-use assets	4	266.26	178.05
Intangible assets	5(A)	412.85	315.84
Intangible assets under development	5(B)	-	82.51
Financial assets			
Investments in Subsidiaries, Associate and Joint Venture	6	3,246.24	2,832.98
Other Investments	7	-	8.14
Other financial assets	8	38.97	266.31
Other tax assets (net)	9	221.58	181.63
Deferred tax assets (net)	9	551.13	379.90
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,951.30</b>	<b>4,455.42</b>
<b>CURRENT ASSETS</b>			
Inventories	10	4,293.23	4,616.48
Financial assets			
Trade receivables	11	1,497.06	2,694.15
Cash and cash equivalents	12	532.64	1,392.27
Bank balance other than cash and cash equivalents	13	1,935.00	1,930.40
Loans	14	37.04	27.45
Other financial assets	8	166.36	109.62
Other current assets	15	3,641.73	5,808.66
<b>TOTAL CURRENT ASSETS</b>		<b>12,103.06</b>	<b>16,579.03</b>
<b>TOTAL ASSETS</b>		<b>17,054.36</b>	<b>21,034.45</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	16	96.15	96.10
Instruments entirely equity in nature	16	108.71	108.71
Other equity	17	4,510.61	4,924.97
<b>TOTAL EQUITY</b>		<b>4,715.47</b>	<b>5,129.78</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	18	5,039.95	5,031.23
Lease liabilities	19	192.36	114.72
Provisions	20	15.73	11.85
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,248.04</b>	<b>5,157.80</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	18	3,561.92	7,329.86
Lease liabilities	19	73.53	65.00
Trade payables			
Total outstanding dues of micro enterprise and small enterprises	21	91.09	29.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	2,077.22	2,528.68
Other financial liabilities	22	73.29	78.62
Other current liabilities	23	97.78	57.39
Provisions	20	1,116.02	657.97
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,090.85</b>	<b>10,746.87</b>
<b>TOTAL LIABILITIES</b>		<b>12,338.89</b>	<b>15,904.67</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,054.36</b>	<b>21,034.45</b>

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

2

The accompanying notes 3 to 49 are an integral part of these Standalone Financial Statements.

As per our report of even date attached

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

Chartered Accountants  
Firm Registration No. 101248W/W-100022

**Amar Sunder**  
Partner  
Membership No: 078305

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

**Sameer Mehta**  
Director and CEO  
DIN: 02945481  
Place: Mumbai

**Aman Gupta**  
Director  
DIN: 02249682  
Place: Delhi

**Rakesh Thakur**  
Chief Financial Officer  
Place: Mumbai

**Shreekant Sawant**  
Company Secretary  
(A-30705)  
Place: Mumbai

Mumbai, August 13, 2024

August 13, 2024

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

## Standalone Statement of Profit and Loss For the year ended 31 March 2024

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

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>INCOME</b>			
Revenue from operations	24	31,037.78	32,584.04
Other income	25	178.26	263.58
		<b>31,216.04</b>	<b>32,847.62</b>
<b>EXPENSES</b>			
Purchases of stock-in-trade	26	22,634.39	24,209.80
Changes in inventories of stock-in-trade	27	323.25	840.86
Employee benefits expense	28	967.29	670.18
Finance costs	29	628.39	733.98
Depreciation and amortisation expense	30	219.82	122.73
Other expenses	31	7,150.90	7,628.89
<b>TOTAL EXPENSES</b>		<b>31,924.04</b>	<b>34,206.44</b>
<b>(Loss) before tax</b>		<b>(708.00)</b>	<b>(1,358.82)</b>
<b>Tax expense</b>	9		
Current tax		0.16	-
Deferred tax		(172.23)	(348.36)
<b>Total tax expense</b>		<b>(172.07)</b>	<b>(348.36)</b>
<b>(LOSS) FOR THE YEAR (A)</b>		<b>(535.93)</b>	<b>(1,010.46)</b>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of the net defined benefit plans	39	3.97	(1.01)
Income tax relating to these items		(1.00)	0.25
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX (B)</b>		<b>2.97</b>	<b>(0.76)</b>
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR (A+B)</b>		<b>(532.96)</b>	<b>(1,011.22)</b>
<b>(Loss) per equity share (face value of Re. 1 each)</b>			
Basic (Rs.)	32	(5.54)	(10.46)
Diluted (Rs.) (Restricted to basic EPS)	32	(5.54)	(10.46)

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

2

The accompanying notes 3 to 49 are an integral part of these Standalone Financial Statements.

As per our report of even date attached

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

*Chartered Accountants*

Firm Registration No. 101248W/W-100022

**Amar Sunder**

*Partner*

Membership No: 078305

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

CIN: U52300MH2013PLC249758

**Sameer Mehta**

*Director & CEO*

DIN: 02945481

Place: Mumbai

**Aman Gupta**

*Director*

DIN: 02249682

Place: Delhi

**Rakesh Thakur**

*Chief Financial Officer*

Place: Mumbai

**Shreekant Sawant**

*Company Secretary*

(A-30705)

Place: Mumbai

Mumbai, August 13, 2024

August 13, 2024

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

### Statement of Changes in Equity for the year ended 31 March 2024

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

#### A. EQUITY SHARE CAPITAL

Particulars	Number of Shares	Amount
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
Equity Shares of ₹ 1/- each fully paid up		
<b>Balance at 31 March 2022</b>	<b>9,60,30,300</b>	<b>96.04</b>
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year	66,000	0.06
<b>Balance at 31 March 2023</b>	<b>9,60,96,300</b>	<b>96.10</b>
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year	50,000	0.05
<b>Balance at 31 March 2024</b>	<b>9,61,46,300</b>	<b>96.15</b>

#### B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	Series A CCPS *		Series B CCPS **	
	Number of Shares	Amount #	Number of Shares	Amount ##
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
<b>Balance at 31 March 2022</b>	<b>5,10,000</b>	<b>5.10</b>	<b>17,269</b>	<b>103.61</b>
Changes in preference share capital during the year	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>5,10,000</b>	<b>5.10</b>	<b>17,269</b>	<b>103.61</b>
Changes in preference share capital during the year	-	-	-	-
<b>Balance at 31 March 2024</b>	<b>5,10,000</b>	<b>5.10</b>	<b>17,269</b>	<b>103.61</b>

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

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

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

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

#### C. OTHER EQUITY

Particulars	Reserves and Surplus				Total Other Equity
	Securities Premium	General reserve	Share Options Outstanding Account	Retained earnings	
<b>Balance at 31 March 2022</b>	<b>3,704.85</b>	<b>11.25</b>	<b>162.00</b>	<b>2,018.65</b>	<b>5,896.75</b>
Loss for the year	-	-	-	(1,010.46)	(1,010.46)
Other comprehensive loss for the year	-	-	-	(0.76)	(0.76)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,011.22)</b>	<b>(1,011.22)</b>
Share-based payments to employees	-	-	36.22	-	36.22
Issue of equity shares on exercise of employee stock options	3.22	-	-	-	3.22
<b>Balance at 31 March 2023</b>	<b>3,708.07</b>	<b>11.25</b>	<b>198.22</b>	<b>1,007.43</b>	<b>4,924.97</b>
Loss for the year	-	-	-	(535.93)	(535.93)
Other comprehensive loss for the year	-	-	-	2.97	2.97
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(532.96)</b>	<b>(532.96)</b>
Share-based payments to employees	-	-	111.56	-	111.56
Issue of equity shares on exercise of employee stock options	9.27	-	(2.23)	-	7.04
<b>Balance at 31 March 2024</b>	<b>3,717.34</b>	<b>11.25</b>	<b>307.55</b>	<b>474.47</b>	<b>4,510.61</b>

#### Basis of preparation, measurement and material accounting policies (refer note 2)

Refer note 17B for nature and purpose of reserves.

The accompanying notes 3 to 49 are an integral part of these Standalone Financial Statements.

As per our report of even date attached

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

**Amar Sunder**  
Partner  
Membership No: 078305

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

**Sameer Mehta**  
Director & CEO  
DIN: 02945481  
Place: Mumbai

**Aman Gupta**  
Director  
DIN: 02249682  
Place: Delhi

**Rakesh Thakur**  
Chief Financial Officer  
Place: Mumbai

**Shreekant Sawant**  
Company Secretary  
(A-30705)  
Place: Mumbai

Mumbai, August 13, 2024

August 13, 2024

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

## Standalone Statement of Cash Flows For the year ended 31 March 2024

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>(Loss) before tax</b>	(708.00)	(1,358.82)
Adjustments for:		
Depreciation and amortisation expense	219.82	122.73
Share based payment expense	111.56	36.22
Interest on fixed deposits	(137.26)	(172.96)
Interest income others	(4.74)	(2.97)
Fair valuation (gain) from investments designated at FVTPL	(0.15)	(0.82)
Provisions no longer required, written back	-	(0.24)
Fair value loss on account of changes in financial liabilities	8.72	31.23
Gain on derecognition of leases	(2.28)	(1.55)
Finance cost	628.39	733.98
Provision for loss allowance for trade receivables	(62.19)	252.52
Provision for doubtful advances	104.00	-
Provision for slow and non moving inventory	758.33	330.80
Loss on sale/discard of fixed assets	1.07	-
Unrealised foreign exchange loss	0.43	13.30
<b>Operating profit/(loss) before working capital changes</b>	<b>917.70</b>	<b>(16.58)</b>
<i>Adjustments for :</i>		
Decrease/(Increase) in inventories	(435.08)	510.06
Decrease/(Increase) in trade receivables	1,259.28	280.70
Decrease/(Increase) in loans	0.41	6.76
Decrease/(Increase) in other financial assets	92.59	2,204.38
Decrease/(Increase) in other current assets	2,062.93	(2,988.97)
Increase/(Decrease) in trade payables	(390.15)	356.05
Increase/(Decrease) in other financial liabilities	25.14	40.99
Increase/(Decrease) in other current liabilities	40.39	19.03
Increase/(Decrease) in current and non-current provisions	465.90	(389.33)
<b>Cash generated from operations</b>	<b>4,039.11</b>	<b>23.09</b>
Taxes paid (net of refunds)	(40.11)	(99.91)
<b>Net Cash flows from/(used in) operating activities (A)</b>	<b>3,999.00</b>	<b>(76.82)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment made in equity shares of subsidiaries and joint venture	(413.26)	(496.24)
Redemption of Mutual Funds	8.29	19.66
Purchase of tangible assets	(189.62)	(220.92)
Sale of tangible assets	78.86	-
Purchase of intangible assets	(163.31)	(289.18)
Intangible assets under development	82.51	(0.84)
Loan given to subsidiaries	(10.00)	-
Fixed deposits placed (net)	(4.60)	(354.56)
Interest on fixed deposits	213.16	160.39
<b>Net cash flows (used in) investing activities (B)</b>	<b>(397.97)</b>	<b>(1,181.69)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares, including securities premium	7.09	3.28
Proceeds from issue of preference shares classified as financial liability	-	5,000.00
(Repayment)/Proceeds from short-term borrowings (net)	(3,773.18)	(1,881.46)
Principal repayment of lease liabilities	(64.53)	(43.05)
Interest repayment of lease liabilities	(23.72)	(12.80)
Interest and other borrowing costs paid	(606.32)	(717.42)
<b>Net cash flow (used in)/generated from financing activities (C)</b>	<b>(4,460.66)</b>	<b>2,348.56</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(859.63)</b>	<b>1,090.05</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,392.27</b>	<b>302.22</b>
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>532.64</b>	<b>1,392.27</b>

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

## Standalone Statement of Cash Flows For the year ended 31 March 2024

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Components of cash and cash equivalents:</b>		
Cash on hand	0.86	0.79
Balance with banks		
In current accounts	391.78	235.47
In deposits with original maturity of less than 3 months	140.00	1,156.01
<b>Total cash and cash equivalents (refer note 12)</b>	<b>532.64</b>	<b>1,392.27</b>

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

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

Particulars	Opening balance 1 April 2023	Cash flows	Non- cash movement (including P&L charge)	Closing balance 31 March 2024
Proceeds from issue of preference shares classified as financial liability	5,031.23	-	8.72	5,039.95
Loan repayable on demand	7,329.86	(3,773.18)	-	3,556.69
Interest on borrowings	6.88	(606.32)	604.67	5.23
Proceeds from issue of equity capital including premium	99.32	7.09	-	106.41
Leases	179.72	(88.25)	174.42	265.89
<b>Total liabilities from financing activities</b>	<b>12,647.01</b>	<b>(4,460.66)</b>	<b>787.81</b>	<b>8,974.17</b>

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

Particulars	Opening balance 1 April 2022	Cash flows	Non- cash movement (including P&L charge)	Closing balance 31 March 2023
Proceeds from issue of preference shares classified as financial liability	-	5,000.00	31.23	5,031.23
Loan repayable on demand	9,211.32	(1,881.46)	-	7,329.86
Interest on borrowings	3.12	(717.42)	721.18	6.88
Proceeds from issue of equity capital including premium	96.04	3.28	-	99.32
Leases	135.66	(55.85)	99.91	179.72
<b>Total liabilities from financing activities</b>	<b>9,446.14</b>	<b>2,348.55</b>	<b>852.32</b>	<b>12,647.01</b>

Non-cash movement represents:

- With respect to leases, accrual of interest on lease liabilities.
- With respect to preference shares, fair value loss on account of fair valuation of financial liability.
- With respect to interest on borrowings, non cash movement is on account of charge in the current year to the statement of profit and loss.

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

The accompanying notes 3 to 49 are an integral part of these Standalone Financial Statements.

As per our report of even date attached

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

*Chartered Accountants*

Firm Registration No. 101248W/W-100022

**Amar Sunder**

*Partner*

Membership No: 078305

For and on behalf of the Board of Directors of

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

CIN: U52300MH2013PLC249758

**Sameer Mehta**

*Director & CEO*

DIN: 02945481

Place: Mumbai

**Aman Gupta**

*Director*

DIN: 02249682

Place: Delhi

**Rakesh Thakur**

*Chief Financial Officer*

Place: Mumbai

**Shreekant Sawant**

*Company Secretary*

(A-30705)

Place: Mumbai

Mumbai, August 13, 2024

August 13, 2024

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

### 1 Company Information

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

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

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

#### 2.1 Basis of preparation and measurement

##### A. Statement of Compliance

The Standalone Financial Statements of the Company comprise of Balance Sheet as at 31 March 2024, Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended 31 March 2024 (hereinafter collectively referred to as "Standalone Financial Statements").

These Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rule, 2015 and other relevant provisions of the Act, as amended from time to time.

These Standalone Financial Statements were approved for issue by the Board of Directors of the Company in their meeting held on 13 August 2024.

##### B. Basis of preparation

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

##### C. Basis of measurement

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

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

##### D. Functional currency and presentation

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

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

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

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

##### Estimation uncertainties:

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

- Note 2.2 (e) - Impairment test of non-financial assets and financials assets
- Note 2.2 (j) - Measurement of defined benefit obligations: key actuarial assumptions and employee share based payments
- Note 2.2 (m) - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 2.2 (n) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources including provisions for sales return and discounts
- Note 2.2 (f) and 2.2 (o) - Provision for obsolete inventory and provision for warranties
- Note 2.2 (d) - Useful life of intangible assets
- Note 2.2 (c) - Useful life of property plant and equipment
- Note 2.2 (g) - Fair valuation of financial liabilities

##### Judgements

- Note 2.2 (l) - Determining whether the arrangement contains a lease



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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

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

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

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

##### G. Fair value measurement

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

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

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

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

#### 2.2 Summary of material accounting policies

##### (a) Revenue Recognition

Revenue from sale of goods is recognised when the control of goods is transferred to the customer and it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

##### Sale of products

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

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

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

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Accumulated expenses is used to estimate the provision for discounts.

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

MEIS (Merchandise Exports from India Scheme) Income: The Company records MEIS income as and when the scrips are utilised. The Company follows point in time approach for recording of MEIS income.

High seas sales: The Company records high seas sales of raw materials as and when the ownership of goods is transferred to the manufacturers with no control over the goods. The said sales are netted off from purchases since the cost of finished goods purchased from those manufacturers are inclusive of the cost of raw materials sold in High Sea Sales.

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

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

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

##### Variable consideration

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

##### Right of return

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

##### Contract balances

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

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

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

#### (b) Recognition of dividend income, interest income or expense

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

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

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

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

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

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

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

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

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

###### Recognition and measurement

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

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

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

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

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

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

###### Depreciation and useful lives

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on Property, Plant and Equipment is calculated on the depreciable amount using the straight line method (SLM) using the rates arrived at based on the useful lives estimated by the management as prescribed in Schedule II of the Companies Act, 2013 except for Plant and Equipment where the management has derived useful life based on the technical evaluation. Depreciation is generally recognized in the statement of profit and loss.

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

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Based on the technical evaluation and consequent assessment, the management believes that its estimate of useful life as given above best represents the period over which the management expects to use these assets. Estimates in respect of method of depreciation were revised from written down value method to straight line method during the year ended March 31, 2023.

###### Derecognition

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

##### (d) Intangible assets

###### Recognition and measurement

Intangible assets comprise primarily of brands. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost can be measured reliably. All other expenditure are recognised in the statement of profit and loss as incurred. On adoption of Ind AS, the Company retained the carrying value for all of its intangible assets as recognised in the standalone financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards.

###### Amortisation

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

Intangible Asset	Useful Life
Brands	10 years
Computer Software	5 years

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

###### Derecognition

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

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

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

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

##### (e) Impairment

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

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

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

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

###### (ii) Financial assets

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

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

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

- the counter party is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset in respect of trade receivables is 365 days or more past due and for trade receivables less than 365 days, the Company identifies on case to case basis whether there is a risk of default or increased credit risk.

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

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

###### Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 365 days past due for which the Company considers high risk of default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

##### (f) Inventories

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

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

##### (g) Financial Instruments

###### Financial Assets

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

All financial assets and liabilities are initially recognized when the Company becomes a party to contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction cost that are directly attributable to its acquisition or issue. However trade receivable that do not contain significant financing component are recognised at transaction price.

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

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

- Amortised cost
- Fair value through other comprehensive income (FVOCI) - debt instruments;
- Fair value through other comprehensive income (FVOCI) - equity investments; or
- Fair value through profit and loss (FVTPL).

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

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

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

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

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

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

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

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

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

###### Financial Assets (continued)

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

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

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

###### Financial assets at FVTPL:

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

###### Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

###### Debt investments at FVTOCI:

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

###### Equity investments at FVTOCI:

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

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

A financial asset is derecognized only when:

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

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

###### Investment in Joint Venture

The investments in joint venture is carried in the financial statements at historical cost except when the investment, or a portion thereof, is classified as held for sale, in which case measured at lower of carrying amount and fair value less costs to sell. When the Company is committed to a sale plan involving disposal of an investment, or a portion of an investment, in any joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met. Any retained portion of an investment in a subsidiary or a joint venture that has not been classified as held for sale continues to be accounted for at historical cost. Investments in subsidiaries and joint ventures carried at cost are tested for impairment in accordance with Ind AS 36 Impairment of Assets. The carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount, any impairment loss recognised reduces the carrying amount of the investment.

###### Financial liability

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

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

###### ii) Subsequent measurement

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

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to Standalone statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Standalone statement of profit or loss. The Company has not designated any financial liability as at fair value through profit or loss other than series C CCPS which is classified as financial liability designated as FVTPL (Refer note 18).

###### Amortised cost

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

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

###### Derecognition

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

###### Offsetting

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

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

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

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

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

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

##### Statement of Cash Flows

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

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

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

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

##### (j) Employee Benefits

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

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

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

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

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

All rereasurement gains and losses arising from defined benefit plans are recognised in the Standalone statement of other comprehensive income in the period in which they occur and not reclassified to the Standalone statement of profit and loss in the subsequent period. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense related to defined benefit plans are recognised under "Finance costs" in the Standalone statement of profit and loss.

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

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

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

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

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

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

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

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

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

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

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

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

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

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

##### (k) Borrowing Costs

Borrowing costs include:

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

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

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Standalone statement of profit and loss in the period in which they are incurred.

##### (l) Leases

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

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

The Company also applied the available practical expedients wherein it:

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

##### Right-of-use assets

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

##### Lease liability

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

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

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

The Company has applied the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets recognition exemption.

##### (m) Income Taxes

Income tax expenses comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

##### (i) Current tax

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

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

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

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

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

##### (m) Income Taxes (continued)

###### (ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

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

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

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

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

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

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

###### (i) General provision

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

###### (ii) Onerous contract

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

###### (iii) Contingent liabilities

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

###### (iv) Contingent assets

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



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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

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

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

##### (o) Warranties

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

##### (p) Earnings per share

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

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

##### (q) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer who is designated the chief operating decision maker (CODM). The Company has identified reportable segments based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete Financial Statements is available. The CODM monitors the operating results of the entity at segment level for the purpose of making decisions about resource allocation and performance assessment. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available

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

#### 2.3 Recent accounting developments and pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA did not notify any new standard or amendment to the existing standards applicable to the Company.

#### 2.4 Changes in material accounting policies.

The company adopted Disclosure of Accounting Policies (Amendments to IND AS 1) from 1st April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statement.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment	Furniture and fixtures	Office equipment	Computers	Total
<b>Gross block</b>					
<b>As at 1 April 2022</b>	<b>4.99</b>	<b>2.33</b>	<b>19.45</b>	<b>23.40</b>	<b>50.17</b>
Additions	191.40	4.78	16.32	17.68	230.18
Deletions	-	-	-	-	-
<b>As at 31 March 2023</b>	<b>196.39</b>	<b>7.11</b>	<b>35.77</b>	<b>41.08</b>	<b>280.35</b>
Additions	121.56	6.88	9.15	12.81	150.40
Deletions	(78.91)	(0.77)	(5.63)	(2.43)	(87.74)
<b>As at 31 March 2024</b>	<b>239.04</b>	<b>13.22</b>	<b>39.29</b>	<b>51.46</b>	<b>343.01</b>
<b>Accumulated depreciation</b>					
<b>As at 1 April 2022</b>	<b>2.95</b>	<b>0.83</b>	<b>8.75</b>	<b>11.61</b>	<b>24.14</b>
Depreciation for the year	30.06	0.38	5.34	10.37	46.15
Deletions	-	-	-	-	-
<b>As at 31 March 2023</b>	<b>33.01</b>	<b>1.21</b>	<b>14.09</b>	<b>21.98</b>	<b>70.29</b>
Depreciation for the year	44.61	1.34	7.69	12.50	66.14
Deletions	(0.11)	(0.46)	(4.69)	(2.43)	(7.69)
<b>As at 31 March 2024</b>	<b>77.51</b>	<b>2.09</b>	<b>17.09</b>	<b>32.05</b>	<b>128.74</b>
<b>Net Block</b>					
<b>As at 31 March 2023</b>	<b>163.38</b>	<b>5.90</b>	<b>21.68</b>	<b>19.10</b>	<b>210.06</b>
<b>As at 31 March 2024</b>	<b>161.53</b>	<b>11.13</b>	<b>22.20</b>	<b>19.41</b>	<b>214.27</b>

#### Notes:

- (i) The Company does not own any immovable property.
- (ii) The Company has not revalued its property, plant and equipment.
- (iii) For details of contractual commitment with respect to property, plant and equipment refer note 34.
- (iv) During the previous year, the Company reviewed the depreciation method of property plant and equipment and changed the method of depreciation from written down value method to straight line method as the same closely reflected the expected pattern of the consumption of the future economic benefits embodied in the asset. This has resulted decrease in depreciation for the year ended March 31, 2023 by Rs. 40.82 million.

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

### NOTE 4 : RIGHT-OF-USE ASSETS

	Buildings	Total
<b>Gross block</b>		
As at 1 April 2022	193.58	193.58
Additions	118.25	118.25
Deletions	(22.16)	(22.16)
<b>As at 31 March 2023</b>	<b>289.67</b>	<b>289.67</b>
Additions	185.78	185.78
Deletions	(41.97)	(41.97)
<b>As at 31 March 2024</b>	<b>433.48</b>	<b>433.48</b>
<b>Accumulated depreciation</b>		
As at 1 April 2022	63.22	63.22
Depreciation for the year	59.22	59.22
Deletions	(10.82)	(10.82)
<b>As at 31 March 2023</b>	<b>111.62</b>	<b>111.62</b>
Depreciation for the year	87.38	87.38
Deletions	(31.78)	(31.78)
<b>As at 31 March 2024</b>	<b>167.22</b>	<b>167.22</b>
<b>Net Block</b>		
As at 31 March 2023	178.05	178.05
As at 31 March 2024	266.26	266.26

#### Notes:

- (i) The Company has lease contracts for premises obtained for warehousing and office purposes. Leases of premises generally have lease terms between 2 and 5 years.
- (ii) Refer note 19 for disclosures pertaining to lease liabilities. For maturity analysis of payment refer note 35C.
- (iii) The following amounts are recognised in the profit and loss:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation expenses of right of use assets (refer note 30)	87.38	59.22
Interest expenses on lease liabilities (refer note 19(i))	23.72	12.80
Expenses relating to short term leases (refer note 31)	9.18	25.55
(iv) Amount recognised in statement of cash flows: Total cash outflow for leases	64.53	43.05

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

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

### NOTE 5(A) : INTANGIBLE ASSETS

	Brands	Computer Software	Total
<b>Gross block</b>			
As at 1 April 2022	51.50	-	51.50
Additions	-	289.17	289.17
Deletions	-	-	-
<b>As at 31 March 2023</b>	<b>51.50</b>	<b>289.17</b>	<b>340.67</b>
Additions	-	163.31	163.31
Deletions	-	-	-
<b>As at 31 March 2024</b>	<b>51.50</b>	<b>452.48</b>	<b>503.98</b>
<b>Accumulated amortisation</b>			
As at 1 April 2022	7.47	-	7.47
Amortisation for the year	5.18	12.18	17.36
Deletions	-	-	-
<b>As at 31 March 2023</b>	<b>12.65</b>	<b>12.18</b>	<b>24.83</b>
Amortisation for the year	5.15	61.15	66.30
Deletions	-	-	-
<b>As at 31 March 2024</b>	<b>17.80</b>	<b>73.33</b>	<b>91.13</b>
<b>Net Block</b>			
As at 31 March 2023	38.85	276.99	315.84
As at 31 March 2024	33.70	379.15	412.85

**Note:**

- (i) The Company has not revalued its intangible assets.
- (ii) During the previous year, the Company reviewed the amortisation method of intangible assets and changed the method of depreciation from written down value method to straight line method as the same closely reflected the expected pattern of the consumption of the future economic benefits embodied in the asset. This has resulted decrease in depreciation for the year ended March 31, 2023 by Rs. 15.31 million.

### NOTE 5(B) : INTANGIBLE ASSETS UNDER DEVELOPMENT

	Total
<b>Intangible Assets under Development</b>	
As at 1 April 2022	81.67
Additions	241.93
Capitalised during the year	241.09
<b>As at 31 March 2023</b>	<b>82.51</b>
Additions	-
Capitalised during the year	82.51
<b>As at 31 March 2024</b>	<b>-</b>

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

**As at 31 March 2023**

Intangible assets under development	Ageing - Other intangible asset under development				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	82.51	-	-	-	82.51
Projects temporarily suspended	-	-	-	-	-

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

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 6 : INVESTMENTS IN SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-Current</b>		
<b>Unquoted</b>		
<b>Investment in Equity Instruments (measured at amortised cost)</b>		
<b>Investment in Subsidiary Companies</b>		
9,999 (31 March 2023: 9,999) Equity shares of Dive Marketing Private Limited (Subsidiary company) having face value Rs 10 each, fully paid up	0.10	0.10
3,10,10,000 (31 March 2023: 3,10,10,000) Equity shares of HOB Ventures Private Limited (Subsidiary company) having face value Rs 10 each, fully paid up	310.10	310.10
3,44,60,000 (31 March 2023: 3,14,60,000) Equity shares of Imagine Marketing Singapore Pte Ltd (Subsidiary company) having face value USD 1 (at Rs. 82.75/ USD; 31 March 2023 Rs. 82.55/ USD) each, fully paid up	2,643.29	2,395.03
10,000 (31 March 2023: 10,000) Equity shares of Kaha Technologies Private Limited (Subsidiary company) having face value Rs 10 each, fully paid up	77.25	77.25
<b>Investment in Joint Venture</b>		
2,15,50,000 (31 March 2023: 50,50,000) Equity shares of Califonix Tech and Manufacturing Private Limited (JV with Dixon Technologies Ltd) having face value of Rs. 10 each, fully paid up	215.50	50.50
<b>Total</b>	<b>3,246.24</b>	<b>2,832.98</b>

**Note:**

- (i) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (ii) Refer note 35 - Financial instruments, fair values and risk measurement for fair valuation methodology.
- (iii) During the previous year, the Company in partnership with Dixon Technologies Ltd. formed a Joint Venture "Califonix Tech and Manufacturing Ltd." on 50:50 profit sharing basis. The JV was formed to leverage the manufacturing and product design, backward integration and R&D capabilities held by each of the partner.

#### NOTE 7 : OTHER INVESTMENTS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-Current</b>		
<b>Investments measured at fair value through profit or loss (Quoted)</b>		
Investments in Mutual Funds *	-	8.14
<b>Total</b>	<b>-</b>	<b>8.14</b>
Aggregate amount of quoted investments ( at cost )	-	6.03
Market value of quoted investments	-	8.14
Aggregate amount of unquoted investments	3,246.24	2,832.98
Aggregate amount of impairment in value of investments	-	-

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

#### NOTE 8 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-Current</b>		
Security deposits	38.97	51.31
Bank deposits with original maturity of more than 12 months and remaining maturity of more than 12 months	-	215.00
<b>Total</b>	<b>38.97</b>	<b>266.31</b>
<b>Current</b>		
Security deposits	2.10	6.86
Bank deposits with original maturity of more than 12 months but remaining maturity of less than 12 months	135.00	-
Others (including interest receivable)	29.26	102.76
<b>Total</b>	<b>166.36</b>	<b>109.62</b>

Note: Others include receivables from related parties amounting to Rs. 0.11 (March 31, 2023 Rs. 0.02). Refer note 37

- (i) **Details of lien against bank deposits:**

Security lien towards ICICI cash credit facility and working capital demand loan	60.00	140.00
Security lien towards Axis cash credit facility and working capital demand loan	75.00	75.00
<b>Total</b>	<b>135.00</b>	<b>215.00</b>

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 9 : INCOME TAXES

##### A. Components of income tax expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>I. Tax expense recognised in Profit and Loss</b>		
<b>Current Tax Expense</b>		
Current tax on profits for the year	-	-
Adjustments for the current tax of prior periods	0.16	-
<b>Total Current Tax Expense</b>	<b>0.16</b>	<b>-</b>
<b>Deferred Tax Expense</b>		
Origination and reversal of temporary differences	(172.23)	(348.36)
<b>Total Deferred Tax Expense</b>	<b>(172.23)</b>	<b>(348.36)</b>
<b>Income tax expenses recognised in profit and loss</b>	<b>(172.07)</b>	<b>(348.36)</b>
<b>II. Tax expense recognised in Other Comprehensive Income</b>		
<b>Deferred Tax Expense</b>		
Net (loss)/gain on remeasurements of defined benefit plans	(1.00)	(0.25)
<b>Income tax expenses recognised in other comprehensive income</b>	<b>(1.00)</b>	<b>(0.25)</b>

##### B. Reconciliation of Effective Tax Rate

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Statutory income tax rate applicable for the year</b>	25.17%	25.17%
<i>Differences due to:</i>		
Expenses not deductible for tax purposes	-0.86%	0.32%
Others	0.00%	0.15%
<b>Effective tax rate</b>	<b>24.30%</b>	<b>25.64%</b>

##### C. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred Tax Assets</b>		
Lease liabilities	66.92	45.24
Provisions for employee benefits	9.40	7.07
Allowance for expected credit loss	96.02	85.49
Others	34.29	24.62
Losses to be carried forward	419.73	265.75
<b>Total Deferred Tax Assets (A)</b>	<b>626.36</b>	<b>428.17</b>
<b>Deferred Tax Liabilities</b>		
Property, plant and equipment	(12.41)	(10.09)
Right-of-use assets	(61.68)	(37.48)
Investments in equity instruments measured at FVTPL	-	(0.53)
Security deposits	(1.14)	(0.17)
<b>Total Deferred Tax Liabilities (B)</b>	<b>(75.23)</b>	<b>(48.27)</b>
<b>Net Deferred Tax Assets / (Liabilities) (A-B)</b>	<b>551.13</b>	<b>379.90</b>

NOTE 9 : INCOME TAXES (CONTINUED)

C. Deferred tax assets and liabilities (Continued)

(i) Movements in Deferred Tax Assets / (Liabilities)

Movements during the year ended 31 March 2024	Opening balance as on 01 April 2023	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2024
<b>Deferred tax Liabilities</b>					
Property, plant and equipment	(10.09)	(2.34)	-	-	(12.42)
Right-of-use assets	(37.48)	(24.20)	-	-	(61.68)
Investments in equity instruments measured at FVTPL	(0.53)	0.53	-	-	-
Security Deposits	(0.17)	(0.97)	-	-	(1.14)
<b>Deferred tax Assets</b>					
Lease liabilities	45.24	21.69	-	-	66.93
Provisions for employee benefits	7.07	3.33	(1.00)	-	9.40
Allowance for expected credit loss	85.49	10.53	-	-	96.02
Losses to be carried forward	265.75	153.98	-	-	419.73
Others	24.62	9.67	-	-	34.29
<b>Total</b>	<b>379.90</b>	<b>172.23</b>	<b>(1.00)</b>	<b>-</b>	<b>551.13</b>

Movements during the year ended 31 March 2023	Opening balance as on 01 April 2022	Recognised in profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2023
<b>Deferred tax Liabilities</b>					
Property, plant and equipment	(0.04)	(10.05)	-	-	(10.09)
Right-of-use assets	(32.81)	(4.67)	-	-	(37.48)
Investments in equity instruments measured at FVTPL	(0.75)	0.22	-	-	(0.53)
Security Deposits	(0.72)	0.55	-	-	(0.17)
<b>Deferred tax Assets</b>					
Lease liabilities	34.14	11.10	-	-	45.24
Provisions for employee benefits	5.91	0.91	0.25	-	7.07
Allowance for expected credit loss	25.56	59.93	-	-	85.49
Losses to be carried forward	-	265.75	-	-	265.75
Others	-	24.62	-	-	24.62
<b>Total</b>	<b>31.29</b>	<b>348.36</b>	<b>0.25</b>	<b>-</b>	<b>379.90</b>

D. Tax assets and liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-Current tax assets (net)</b>		
Advance tax and tax deducted at source, net of provision for tax	221.58	181.63

During the year ended 31 March 2024 and 31 March 2023, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

E. Business loss/Unabsorbed depreciation can be carried forward as per table mentioned below:

Loss for the year ended	Head	Amount (Rs. In millions)	Carried forward till
31 March 2024	Business Loss	444.77	31-03-2032
31 March 2024	Unabsorbed depreciation	167.04	indefinite period
31 March 2023	Business Loss	963.31	31-03-2031
31 March 2023	Unabsorbed depreciation	90.26	indefinite period
31 March 2023	Capital loss	2.21	31-03-2031

Note: a. During the current year and previous year, the Company has incurred losses and the Company is reasonably certain that the above losses will be set off against the profits of the coming years. Based on the future projections and profitability, the Company has created deferred tax assets on the carried forward losses, unabsorbed depreciation and capital loss.  
b. The Company has not created deferred tax asset on capital loss in relation to sale of investments.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 10 : INVENTORIES

Particulars	As at 31 March 2024	As at 31 March 2023
Stock-in-trade [Including goods in transit Rs. 53.92 millions (March 31, 2023: Rs. 326.20 millions)]	4,293.23	4,616.48
<b>Total</b>	<b>4,293.23</b>	<b>4,616.48</b>

- (i) For method of valuation, refer note 2 (f) of significant accounting policies.
- (ii) Value of inventories above is stated after provisions for slow-moving and obsolete items of Rs. 1,120.74 millions (31 March 2023: Rs. 335.86 millions). Additionally, the inventories of finished goods have been reduced by Rs. 55.00 million (March 31, 2023 - 81.55) as a result of write down of inventories to net realisable value.
- (iii) During the year an amount of Rs. 737.27 millions (31 March 2023: Rs. 300.86 millions) has been charged off to statement of profit and loss on account of cost of goods that have been scrapped.
- (iv) The Company has created a charge on its inventories for its borrowings (refer to note 18)

#### NOTE 11 : TRADE RECEIVABLES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Current</b>		
Trade Receivables considered good – Secured	-	-
Trade Receivables considered good – Unsecured	1,717.48	2,853.81
Trade Receivables which have significant increase in credit risk - Unsecured	-	134.00
Trade Receivables – credit impaired - Unsecured	11.05	-
Less: Allowance for expected credit loss	(231.47)	(293.66)
<b>Total</b>	<b>1,497.06</b>	<b>2,694.15</b>
<b>Category wise details of allowance for expected credit loss</b>		
Allowance for expected credit loss for Trade Receivables considered good – Unsecured	220.42	293.66
Allowance for expected credit loss for Trade Receivables – credit impaired - Unsecured	11.05	-
	<b>231.47</b>	<b>293.66</b>

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

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

- (i) There are no debt which are due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member for the year ended 31 March 2024 and 31 March 2023 except from the customer mentioned in note (ii) below.
- (ii) **Trade receivables from related parties:**

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables from related parties	-	3.13
Less: Allowance for expected credit loss	-	-
	<b>-</b>	<b>3.13</b>

Refer note 37 - Related party disclosures

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

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	293.66	41.14
Change in allowance during the year	(62.19)	252.52
<b>Balance as at the end of the year</b>	<b>231.47</b>	<b>293.66</b>

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

Trade receivables ageing schedule as at 31 March 2024	Outstanding for following periods from due date of payment						Total
	Current (not due)	Less than 6 months	6 Months to 1 Year	1 - 2 Years	2 -3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	1,154.37	393.85	83.97	79.13	3.17	2.99	1,717.48
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	11.05	-	11.05
	<b>1,154.37</b>	<b>393.85</b>	<b>83.97</b>	<b>79.13</b>	<b>14.22</b>	<b>2.99</b>	<b>1,728.53</b>
Allowance for expected credit loss	-	(51.16)	(83.97)	(79.13)	(14.22)	(2.99)	(231.47)
	<b>1,154.37</b>	<b>342.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,497.06</b>

Note: There are no unbilled dues as at 31 March 2024

Trade receivables ageing schedule as at 31 March 2023	Outstanding for following periods from due date of payment						Total
	Current (not due)	Less than 6 months	6 Months to 1 Year	1 - 2 Years	2 -3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	1,304.13	1,440.82	81.30	22.45	5.09	0.02	2,853.81
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	99.91	34.09	-	-	134.00
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	<b>1,304.13</b>	<b>1,440.82</b>	<b>181.21</b>	<b>56.54</b>	<b>5.09</b>	<b>0.02</b>	<b>2,987.81</b>
Allowance for expected credit loss	-	(50.80)	(181.21)	(56.54)	(5.09)	(0.02)	(293.66)
	<b>1,304.13</b>	<b>1,390.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,694.15</b>

Note: There are no unbilled dues as at 31 March 2023



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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 11 : TRADE RECEIVABLES (CONTINUED)

The Company sold with recourse trade receivables to a bank for cash proceeds. These trade receivables have not been derecognised from the balance sheet, because the Company retains substantially all of the risks and rewards – primarily credit risk. The amount received on transfer has been recognised as a unsecured bank loan (see Note 18). The arrangement with the bank is such that the customer remit cash directly to the Company and the Company transfers the collected amounts to the bank. The receivables are considered to be held within a held-to-collect business model consistent with the Company's continuing recognition of the receivables.

The following information shows the carrying amount of trade receivables at the reporting date that have been transferred but have not been derecognised and the associated liabilities.

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount of trade receivables transferred to a bank	-	659.22
Carrying amount of associated liabilities	-	659.22

#### NOTE 12 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand*	0.86	0.79
Balances with banks		
In current accounts	391.78	235.47
In deposits with original maturity of less than 3 months	140.00	1,156.01
<b>Total</b>	<b>532.64</b>	<b>1,392.27</b>

\* Cash on hand includes balances in digital wallets of Rs. 0.81 (31 March 2023 : Rs. 0.67)

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

##### Note:

Details of lien against fixed deposits:

Security lien towards RBL cash credit facility and working capital demand loan	-	13.87
Security lien towards ICICI bank cash credit facility and working capital demand loan	-	1,000.00
Security lien towards HDFC bank cash credit facility and working capital demand loan	-	52.24
Security lien towards Citi bank cash credit facility and working capital demand loan	140.00	89.90
<b>Total</b>	<b>140.00</b>	<b>1,156.01</b>

#### NOTE 13 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks to the extent held as security against the borrowings		
Fixed deposits with original maturity of more than 3 months but less than 12 months	1,935.00	1,930.40
<b>Total</b>	<b>1,935.00</b>	<b>1,930.40</b>

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

##### Note:

Details of lien against fixed deposits:

Security lien towards RBL working capital demand loan	1,575.00	1,585.30
Security lien towards ICICI cash credit facility and working capital demand loan	-	60.00
Security lien towards HDFC working capital demand loan	60.00	10.00
Security lien towards Citi Bank working capital demand loan	-	50.10
Security lien towards HSBC working capital demand loan and overdraft facility	150.00	150.00
Security lien towards DBS working capital demand loan	75.00	-
Security lien towards SCB working capital demand loan	75.00	75.00
<b>Total</b>	<b>1,935.00</b>	<b>1,930.40</b>

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 14 : LOANS

Particulars	As at	As at
	31 March 2024	31 March 2023
Loans Receivables considered good – Secured	-	-
Loans Receivables considered good – Unsecured	0.04	0.45
Loans Receivables which have significant increase in credit risk	-	-
Loans Receivables – credit impaired	-	-
Loan to Subsidiary Company (Refer note (iii) below)	37.00	27.00
<b>Total</b>	<b>37.04</b>	<b>27.45</b>

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

#### Notes:

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amount outstanding	% of total	Amount outstanding	% of total

#### Type of Borrower

Related party (Subsidiary) (for working capital requirements)	37.00	99.89%	27.00	78.91%
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\* There are no loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are without specifying any terms or period of repayment.

- (iv) There are no advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

- (a) repayable on demand; or  
(b) without specifying any terms or period of repayment; except as disclosed below

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amount outstanding	% of total	Amount outstanding	% of total
Advances to subsidiary company	14.63	1%	38.23	1%

#### NOTE 15 : OTHER CURRENT ASSETS

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Current</b>		
<i>Unsecured, considered good unless otherwise stated</i>		
Advances to vendors	1,853.63	3,865.41
Less: Provision for doubtful advances	(150.00)	(46.00)
Return asset *	335.80	273.57
Prepaid Expenses	56.43	37.44
Balances with Government Authorities		
- Goods and Services Tax credit receivable	1,544.49	1,625.82
- Custom Duty	1.35	52.39
- Sales Tax/ Value Added Tax	0.03	0.03
<b>Total</b>	<b>3,641.73</b>	<b>5,808.66</b>

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

**Note:** There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member except for those disclosed in note 14(iv) above .

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 16 : EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>AUTHORISED SHARE CAPITAL</b>				
Equity shares of Re 1 each (Previous Year of Re. 1 each)	16,08,28,000	160.83	16,08,28,000	160.83
Series A Preference shares of Rs 10 each	5,35,200	5.35	5,35,200	5.35
Series B Preference shares of Rs 6,000 each	18,929	113.57	18,929	113.57
Series C Preference shares of Rs 3.00 each (classified as financial liability)	66,58,000	19.98	66,58,000	19.98
<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>				
<b>Equity share capital</b>				
Equity shares of Re 1 each (Previous Year of Rs. 1 each)	9,61,46,300	96.15	9,60,96,300	96.10
		<u>96.15</u>		<u>96.10</u>
<b>Instruments entirely Equity in nature</b>				
Series A Preference shares of Rs 10 each	5,10,000	5.10	5,10,000	5.10
Series B Preference shares of Rs 6,000 each	17,269	103.61	17,269	103.61
		<u>108.71</u>		<u>108.71</u>
<b>Total</b>		<u><b>204.86</b></u>		<u><b>204.81</b></u>

#### (a) Reconciliation of the number of shares

Particulars	Equity shares		Series A CCPS		Series B CCPS	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>As at 31 March 2022</b>	<b>9,60,30,300</b>	<b>96.04</b>	<b>5,10,000</b>	<b>5.10</b>	<b>17,269</b>	<b>103.61</b>
Issue of Equity Shares on exercise of employee stock option	66,000	0.06	-	-	-	-
<b>As at 31 March 2023</b>	<b>9,60,96,300</b>	<b>96.10</b>	<b>5,10,000</b>	<b>5.10</b>	<b>17,269</b>	<b>103.61</b>
Issue of Equity Shares on exercise of employee stock option	50,000	0.05	-	-	-	-
<b>As at 31 March 2024</b>	<b>9,61,46,300</b>	<b>96.15</b>	<b>5,10,000</b>	<b>5.10</b>	<b>17,269</b>	<b>103.61</b>

Equity shares represents equity shares of Re. 1 each, fully paid up  
Series A CCPS represents 0.01% Non-cumulative compulsorily convertible preference shares of Rs 10 each, fully paid up  
Series B CCPS represents 0.01% Cumulative compulsorily convertible preference shares of Rs 6,000 each, fully paid up

#### (b) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held and after payment to the secured and unsecured loan.

#### (c) Rights, preferences and restrictions attached to preference shares:

The Company has three classes of preference shares i.e. 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each ('Series A CCPS'), 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each ('Series B CCPS'), 0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each ('Series C CCPS').

Series A CCPS comprises Series A CCPS and Series A1 CCPS, both convertible at a ratio of 1:1 (that is 1 Equity Share shall be issued upon conversion of 1 Preference Share), having a right to preferred non-cumulative dividend of 0.01% per annum and of the par value of Rs 10 each in the capital of the Company. Each Preference Share may be converted into Equity Shares at any time at the option of the holder of that Preference Share and/or if mandated by applicable laws.

Subject to applicable Laws, the preference shares shall be automatically converted into equity shares in the ratio of 1 Equity Share for 1 Preference Share ('Conversion Ratio'), upon the earlier of (i) expiry of 19 years and 9 months from the Closing Date or (ii) in connection with an IPO, prior to the filing of a red-herring prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

Series B CCPS comprises Series B CCPS and Series B1 CCPS, both cumulative participating compulsorily and fully convertible preference shares having a face value of Rs. 6,000 each, convertible at a ratio of 1:2000\* (that is 2000 Equity Share shall be issued upon conversion of 1 Preference Share), having a right to preferred cumulative dividend of 0.01% per annum and of the par value of Rs 6,000 each in the capital of the Company. Each Preference Share may be converted into Equity Shares at any time at the option of the holder of that Preference Share and/or if mandated by applicable laws.

Subject to applicable Laws, the preference shares shall be automatically converted into equity shares in the ratio of 2000 Equity Share for 1 Preference Share ('Conversion Ratio'), upon the earlier of (i) expiry of 19 years and 9 months from the Closing Date; or (ii) in connection with an IPO, prior to the filing of a red-herring prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

\* As per the original terms of Series B CCPS, the conversion ratio was 1:1 (that is 1 Equity Share shall be issued upon conversion of 1 Preference Share). During the year ended 31 March 2022, pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS and the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share the Company adjusted the conversion price for Series B CCPS in accordance with their terms of issuance as set out in the articles of association and the amended shareholders agreement dated 9 April 2021 from Rs. 283,749 to Rs. 141.88. Accordingly, the revised conversion ratio is 1:2000.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 16 : EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE (CONTINUED)

(d) Details of shareholders more than 5% shares of a class of shares in the Company:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% in shares	Number of shares	% in shares
<b>Equity shares</b>				
Mr. Sameer Mehta	3,83,70,000	39.91%	3,83,70,000	39.93%
Mr. Aman Gupta	3,83,70,000	39.91%	3,83,70,000	39.93%
South Lake Investment Ltd	1,85,10,000	19.25%	1,85,10,000	19.26%
<b>Series A CCPS</b>				
Fireside Ventures Investment Fund - I	5,10,000	100.00%	5,10,000	100.00%
<b>Series B CCPS</b>				
South Lake Investment Ltd	15,507	89.80%	15,507	89.80%
Qualcomm Ventures LLC	1,762	10.20%	1,762	10.20%

(e) Shares reserved for issue under options and contracts:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Under Employee Stock Option Plan 2019:</b>				
Equity shares of Re 1 each, at exercise price of Rs 30.27 per share	5,46,200	0.55	5,85,200	0.59
Equity shares of Re 1 each, at exercise price of Rs 141.88 per share	16,21,334	1.62	20,36,450	2.04
Equity shares of Re 1 each, at exercise price of Rs 218.00 per share	8,75,000	0.88	8,75,000	0.88
Equity shares of Re 1 each, at exercise price of Rs 300.00 per share	1,50,000	0.15	1,50,000	0.15
Equity shares of Re 1 each, at exercise price of Rs 450.00 per share	5,56,002	0.56	5,56,002	0.56
<b>Under Employee Stock Option Plan 2021:</b>				
Equity shares of Re 1 each, at exercise price of Rs 141.88 per share	20,14,000	2.01	20,64,000	2.06
<b>Under Employee Stock Option Plan 2023:</b>				
Equity shares of Re 1 each, at exercise price of Rs 450.00 per share	1,52,336	0.15	-	-
<b>For 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each</b>				
Equity shares of Re 1 each *	51,00,000	5.10	51,00,000	5.10
<b>For 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each</b>				
Equity shares of Re 1 each *	3,45,38,000	34.54	3,45,38,000	34.54

\* Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the number of options and the exercise price per share have also been adjusted accordingly, i.e. number of options have been multiplied by 200 and the exercise price per share has been divided by 200.  
Terms attached to the Compulsorily Convertible Preference Shares are described in note 16 (c).  
Terms attached to the Employee Stock Options granted to the employees are described in note 40 regarding Employee share based payments.

(f) During the period of five years immediately preceding the reporting date:

Particulars	As at 31 March 2024	As at 31 March 2023
	<b>Aggregate number and class of shares allotted as fully paid up by way of bonus shares</b>	
Equity shares of Re 1 each (Previous Year of Rs. 1 each) @	94,77,375	94,77,375
0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each #	5,07,450	5,07,450
<b>Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:</b>		
Equity shares of Re 1 each (Previous Year of Rs. 1 each) *	4,934	4,934

@ During the year ended 31 March 2022, the Company has issued bonus shares in the ratio of 1:199 (i.e. 199 new bonus shares for every 1 share held by the holder) credited as fully paid up, to the eligible equity shareholders of Equity Shares of Rs. 10 each and whose names appear in the Register of Members / Beneficial Owners' position of the Company on 13 May, 2021 ("Record Date").

# During the year ended 31 March 2022, the Company has issued bonus shares in the ratio of 1:199 (i.e. 199 new bonus shares for every 1 share held by the holder) credited as fully paid up, to the eligible shareholders 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each and whose names appear in the Register of Members / Beneficial Owners' position of the Company on 13 May, 2021 ("Record Date").

Pursuant to the aforementioned Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS and the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share, the Company adjusted the conversion price for Series B CCPS in accordance with their terms of issuance as set out in the articles of association and the amended and shareholders agreement dated April 9, 2021, from Rs. 283,749 to Rs. 141.88.

\* During the year ended 31 March 2021, the Company bought back 4,934 equity shares of Rs 10 each, fully paid up at a price of Rs. 283,138.31 per equity share for an amount of Rs.1,135,502,418 from Mr. Sameer Mehta (2,467 equity shares) and Mr. Aman Gupta (2,467 equity shares).

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 16 : EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE (CONTINUED)

(g) Details of shares by the Promoter's of the Company:

Particulars	change	As at 31 March 2024		As at 31 March 2023	
		Number of shares	% in the class	Number of shares	% in the class
<b>Equity shares of Rs each fully paid up held by:</b>					
Mr. Sameer Mehta	-0.02%	3,83,70,000	39.91%	3,83,70,000	39.93%
Mr. Aman Gupta	-0.02%	3,83,70,000	39.91%	3,83,70,000	39.93%

(h) Agreements with Shareholders:

(i) For terms in relation to Series C CCPS refer note 18(viii).

(ii) During the year ended 31 March 2022:

Pursuant to a Shareholders Agreement (SHA) dated 9 April 2021 entered into by and between Imagine Marketing Private Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2), Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd and Qualcomm Ventures LLC and the Share Subscription Agreement (SSA) dated 9 April 2021 entered into by and between Imagine Marketing Private Limited, the Promoters, Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd and Qualcomm Ventures LLC, the Company issued 1,762 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each to Qualcomm Ventures LLC on 20 April 2021 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received Rs. 499.96 million the details of which are included in the table below:

Type of share	Face value per share	Issue price per share	Premium on issue per share	No. of shares	Total amount in Rs. million
0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each (Series B1 CCPS)	6,000.00	2,83,749.00	2,77,749.00	1,762	499.96

Pursuant to the SHA dated 9 April 2021 as mentioned above, the conversion ratio of the Series B1 CCPS was determined to be 1:1. Accordingly, Series B1 CCPS were considered to be "Instrument entirely Equity in nature" as at the transaction date.

(iii) During the year ended March 31, 2022, Innoven Capital India Private Limited has exercised the right to subscribe shares of the Company provided as part of the loan agreement. Pursuant to this, the Company has issued 463,500 equity shares of Re 1 each, fully paid to Innoven Capital India Private Limited at an exercise price of Rs 43.15 per equity share totalling to Rs. 20.00 million.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 17 : OTHER EQUITY

##### A. Summary of Other Equity balance:

Particulars	As at 31 March 2024	As at 31 March 2023
Securities Premium	3,717.34	3,708.07
General Reserve	11.25	11.25
Share Options Outstanding Account	307.55	198.22
Retained Earnings	474.47	1,007.43
<b>Total Other Equity</b>	<b>4,510.61</b>	<b>4,924.97</b>
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Securities Premium</b>		
Balance at the beginning of the year	3,708.07	3,704.85
Add: Addition during the year on account of issue of equity shares on exercise of employee stock options	9.27	3.22
<b>Balance at the end of the year</b>	<b>3,717.34</b>	<b>3,708.07</b>
<b>General Reserve</b>		
Balance at the beginning of the year	11.25	11.25
<b>Balance at the end of the year</b>	<b>11.25</b>	<b>11.25</b>
<b>Share Options Outstanding Account</b>		
Balance at the beginning of the year	198.22	162.00
Add: Charge for the year (Refer note 28)	111.56	36.22
Less: Issue of equity shares on exercise of employee stock options	(2.23)	-
<b>Balance at the end of the year</b>	<b>307.55</b>	<b>198.22</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	1,007.43	2,018.65
Add: (Loss) for the year	(535.93)	(1,010.46)
Less: Remeasurement of post employment benefit obligation, net of tax	2.97	(0.76)
<b>Balance at the end of the year</b>	<b>474.47</b>	<b>1,007.43</b>

##### B. Nature and purpose of reserves:

**Securities Premium** - Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**General Reserve** - On redemption of the debentures for which the debenture redemption reserve was created, the Company has transferred the balance in the debenture redemption reserve to the General Reserve.

**Share Options Outstanding Account** - The fair value of the equity-settled share based payment transactions is recognised in Standalone statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

**Retained Earnings** - Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 18 : BORROWINGS

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Non-Current</b>		
<b>Unsecured, at Fair value through profit and loss (FVTPL)</b>		
6,657,791 0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each (refer note viii below)	5,039.95	5,031.23
<b>Total</b>	<b>5,039.95</b>	<b>5,031.23</b>
<b>Current</b>		
<b>Secured, at amortised cost</b>		
Cash credit from banks (refer note (i) below)	581.69	3,020.64
Loan repayable on demand: - from banks (refer note (i) below)	2,980.23	3,650.00
<b>Unsecured, at amortised cost</b>		
Loan repayable on demand: - from banks (refer note (i) below)	-	659.22
<b>Total</b>	<b>3,561.92</b>	<b>7,329.86</b>

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

#### Notes:

##### (i)(a) As at March 31, 2024

Name of the bank	Limits INR Millions	Nature of Limits	Outstanding As on March 31, 2024	FY24 - Interest Rates	
				From	To
HSBC	1,500	CC & WCDL Limits	500.00	8.85	8.85
HSBC (unsecured)	1,000	Bill Discounting facility	-	8.95	9.40
Citi Bank	1,400	CC & WCDL Limits	500.00	8.57	8.57
ICICI Bank	500	OD CC & WCDL Limits	-	I-MCLR 6M + 0.7%	NA
ICICI Bank	990	FD OD limits	-	FD rate + 0.50%	NA
RBL Ltd	750	OD CC & WCDL Limits	580.19	6.60	8.10
RBL Ltd	1,500	FD OD limits	900.00	6.60	8.10
Standard Chartered Bank	750	CC & WCDL Limits	-	9.15	9.17
Axis Bank	750	CC & WCDL Limits	676.50	8.30	8.30
DBS Bank	750	WCDL Limits	-	8.65	9.50
HDFC Bank	600	CC & WCDL Limits	400.00	8.30	8.30
<b>Total</b>	<b>10,490</b>		<b>3,556.69</b>		

##### (i)(b) As at March 31, 2023

Name of the bank	Limits INR Millions	Nature of Limits	Outstanding As on March 31, 2023	FY23 - Interest Rates	
				From	To
HSBC	1,500	CC & WCDL Limits	1,224.23	5.71	9.63
HSBC (unsecured)	1,000	Bill Discounting facility	659.22	8.95	NA
Citi Bank	1,400	CC & WCDL Limits	-	6.20	9.00
ICICI Bank	1,000	OD CC & WCDL Limits	845.59	6.20	8.95
ICICI Bank	2,000	FD OD limits	1,052.13	FD rate + 0.50%	NA
RBL Ltd	750	OD CC & WCDL Limits	750.00	6.14	8.75
RBL Ltd	1,500	FD OD limits	1,498.68	FD rate + 0.50%	NA
Standard Chartered Bank	750	CC & WCDL Limits	-	6.25	8.70
Axis Bank	750	CC & WCDL Limits	700.00	6.90	8.70
HDFC Bank	600	CC & WCDL Limits	600.00	6.00	8.29
<b>Total</b>	<b>11,250</b>		<b>7,329.85</b>		

- (a) Unsecured loan was obtained by the Company from HSBC Bank towards working capital through sales invoice discounting facility of invoices of Appario Retail Private Limited ('Appario') which carried an interest rate between 8.95% to 9.40% as on March 31, 2024 and 8.95% as at March 31, 2023. Loan was repayable as per due dates of invoices of Appario and interest on transaction basis for the amount utilised for number of days.
- (b) Cash Credit (CC) facility and Overdraft facility has been availed by the Company from ICICI bank for meeting the working capital requirements of the Company and carries an interest rate at I-MCLR 6M + 0.70% and FD rate + 0.50% respectively (March 31, 2023: Repo rate+2.2% and FD rate + 0.50%), computed on monthly basis on the actual amount utilized to be paid on last date of each month against the pledge of current asset receivable and current asset inventory.
- (c) Cash Credit (CC) facility and working capital demand loan (WCDL) facility from Citi bank has been availed and carried an interest rate mutually agreed between the parties at the time of disbursement (refer table above for interest rates), computed on monthly basis on the actual amount utilised to be paid on last date of each month.  
For the year ended March 2023, the Company had availed an aggregate limit of Rs.2000 million (including Cash Credit Limit and Working Capital Demand Loan) of which Rs.1400 million was secured against hypothecation on current stocks and book debts of the Company as well as pledge against fixed deposits. The remaining limit of Rs. 600 million is an unsecured adhoc facility given by the bank. The WCDLs generally had a tenure ranging upto 6 months. These cash credit and WCDLs loans are repayable on demand. As on March 31, 2023, there was a breach of financial covenant (Debt to EBITDA) for which the Company has made representation to the bank for waiver. In the current year, the breach continued and however, the bank continues to provide financial limits as mentioned above vide Sanction letter dated July 21, 2023.
- (d) Secured working capital demand loan (sublimit of cash credit facility) has been obtained by the Company from RBL bank against fixed deposit of Rs 75 million as security. The Company has given RBL First Passu Charge on the entire current assets of the Company, both present and future. The interest rate is applicable as per disbursement date and the bank reserves the right to charge additional interest at the rate of 2% p.a on occurrence of such events as specified in the agreement. The tenure of the WCDL loans ranges upto 3 months and the same was repayable on demand. In the previous year, the Company has availed fixed deposit backed overdraft facility (FD-OD) of Rs.1,500 million from RBL bank secured against the 100% Fixed Deposit and carried interest rate of FD rate + 0.50% which subsequently was changed to FD rate + 0.00%.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 18 : BORROWINGS (CONTINUED)

- (e) Overdraft facility has been availed by the Company from HSBC Bank and carried an interest rate mutually agreed per annum which was linked to the prevalent Bank MCLR/3M T-bill against the pledge of current asset receivable and inventory and had placed under lien Fixed Deposits of Rs. 150 million and Rs. 1500 million as a lien marked towards overdraft-1 facility and overdraft - 2 facility respectively. The tenure of the WC DL loans ranged upto 90 days and the same is repayable on demand.
- (f) Secured loan including cash credit and working capital demand loans has been obtained by the Company from HDFC bank towards working capital which carries an interest rate as per the table above. The Company has given First pari passu charge on entire receivables and on entire inventory of the Company, present and future, to all the banks. Also, fixed deposit charge of Rs 60 million lien marked to HDFC Bank.
- (g) Secured loan has been obtained by the Company from Standard Chartered Bank towards working capital which carries an interest rate specified by the bank at the time of drawdown i.e 9.15% to 9.17% as at March 31, 2024 (6.25% to 8.70% as at 31 March 2023). The Company has given first pari passu charge on current assets (stock and book debt) and has placed fixed deposits of Rs. 75 million under lien. The maximum tenure of this loan is 150 days and the same is repayable on demand.
- (h) Secured loan has been obtained by the Company from Axis Bank towards working capital which carries an interest rate specified by the bank at the time of drawdown (refer table above for interest rates). The Company has given first pari passu charge on current assets (current and future stock and book debt) and has placed fixed deposits of Rs. 75 million under lien. The maximum tenure of this loan is 90 days and the same is repayable on demand.
- (i) During the year, secured loan has been obtained by the Company from DBS Bank towards working capital which carries an interest rate specified by the bank (mutually agreed at the time of drawdown). The Company has given first pari passu charge on current assets (current and future stock and book debt) and has placed fixed deposits of Rs. 75 million under lien. The maximum tenure of this loan is 180 days and the same is repayable on demand.
- (ii) Borrowings from banks and financial institutions have been used for the purpose for which they were obtained.
- (iii) The Company has filed quarterly returns/statements of current assets during the year ended 31 March 2024 and 31 March 2023 with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts. Following are the discrepancies between books of accounts & quarterly statements submitted to banks relating to current assets, where borrowings have been availed based on security of current assets.

Bank	Quarter	Particulars	Amount as per books of account	Amount as reported in the quarterly return/statement	Amount of difference	Reason for material discrepancies
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2022	Inventory	5,983.15	6,592.82	(609.68)	Adjustment for goods-in-transit and provisions recognised
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2022	Trade receivables	6,413.63	6,599.69	(186.06)	Adjustment for provisions for doubtful debts
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2022	Advance to Vendor	3,051.16	3,059.25	(8.09)	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2022	Inventory	7,597.76	7,641.11	(43.36)	Adjustment for goods-in-transit and provisions recognised
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2022	Trade receivables	9,758.91	9,512.69	246.22	Adjustment for Advance from Debtors
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2022	Advance to Vendor	5,064.21	5,069.71	(5.50)	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	December 2022	Trade receivables	4,652.88	4,626.76	26.11	Adjustment for Advance from Debtors
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2023	Inventory	4,616.48	4,835.31	(218.83)	Adjustment for goods-in-transit and provisions recognised
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2023	Trade receivables	2,694.15	3,883.34	(1,189.19)	Adjustment for reversal of revenue for year end cut off and provisions
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2023	Advance to Vendor	3,865.41	4,493.17	(627.76)	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	June 2023	Inventory	5,165.25	5,165.25	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	June 2023	Trade receivables	5,883.71	5,883.71	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	June 2023	Advance to Vendor	6,640.70	6,640.70	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	September 2023	Inventory	7,621.31	7,621.31	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	September 2023	Trade receivables	7,939.17	7,939.17	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	September 2023	Advance to Vendor	5,766.61	5,766.61	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	Dec-23	Inventory	7,830.34	7,830.34	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	Dec-23	Trade receivables	3,491.68	3,491.68	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	Dec-23	Advance to Vendor	2,700.83	2,700.83	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	Mar-24	Inventory	4,293.23	4,308.71	(15.48)	On account of cut off reversals
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	Mar-24	Trade receivables	1,497.06	1,706.25	(209.19)	Reclass of advance from customers from current assets to current liabilities and provisions for support cost moved from payables to receivables
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	Mar-24	Advance to Vendor	1,853.63	1,853.63	-	

- (iv) The Company has registered all the charges or satisfaction with the Registrar of Companies (ROC) by the statutory date.
- (v) The company has not been declared a Wilful defaulter.
- (vi) There has been no discrepancy in utilisation of borrowings.



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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 18 : BORROWINGS (CONTINUED)

(vii) The Company has not obtained any long term borrowings except for series C classified as financial liability.

(viii) **Terms of series C CCPS:**  
During the year ended 31 March 2023:

Pursuant to a Shareholders Agreement (SHA) dated 24 October 2022 entered into by and between Imagine Marketing Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2), Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd, Qualcomm Ventures LLC, Malabar India Fund Limited, Malabar Select Fund and Malabar Midcap Fund and the Share Subscription Agreement (SSA) dated 24 October 2022 entered into by and between Imagine Marketing Limited, the Promoters, South Lake Investments Ltd, Malabar India Fund Limited, Malabar Select Fund and Malabar Midcap Fund, the Company issued 6,657,791 0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each to South Lake Investments Ltd, Malabar India Fund Limited, Malabar Select Fund and Malabar Midcap Fund on December 2, 2022 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Company received Rs. 5,000 million the details of which are included in the table below:

Type of share	Face value per share	Issue price per share	Premium on issue per share	No. of shares	Total amount in Rs. million
0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each (Series C CCPS)	3.00	751.00	748.00	66,57,791	5,000.00
Add: Fair value loss on account of changes in financial liabilities					31.23
<b>Carrying amount of liability as at March 31, 2023</b>					<b>5,031.23</b>
Add: Fair value loss on account of changes in financial liabilities					8.72
<b>Carrying amount of liability as at March 31, 2024</b>					<b>5,039.95</b>

Series C CCPS comprises cumulative compulsorily and fully convertible preference shares having a face value of Rs. 3 each, to be converted into such number of equity shares of face value of Rs. 1 each as per the adjustment ratio linked to next external funding round as mentioned in the shareholding agreement (SHA) dated October 24, 2022. Further, the Series C CCPS have a right to preferred cumulative dividend of 0.01% per annum and of the par value of Rs 3 each in the capital of the Company.

Subject to applicable Laws, the preference shares shall be automatically converted as per the terms mentioned above, upon the earlier of (i) expiry of 19 years and 9 months from the of the issuance and allotment; or (ii) in connection with an IPO, prior to the filing of a red-herring prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

As per Ind AS 32 - Financial Instruments: Presentation, and terms and conditions mentioned in the SHA mentioned above, the Company has classified the same as financial liability since it comprises an obligation on the Company to deliver a variable number of shares on the basis of conversion ratio and price as defined in the SHA. Although the variability is subject to the adjustment ratio as mentioned in the SHA at the time of conversion, the overall number of equity instruments that the issuer is obliged to deliver is not fixed.

#### NOTE 19 : LEASE LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Lease liabilities payable beyond 12 months	192.36	114.72
	<b>192.36</b>	<b>114.72</b>
<b>Current</b>		
Lease liabilities payable within 12 months	73.53	65.00
	<b>73.53</b>	<b>65.00</b>

(i) Set out below is the movement in lease liabilities during the period:

Particulars	As at 31 March 2024	As at 31 March 2023
As at 1 April	179.72	135.66
Add: Addition during the year	163.16	100.00
Add: Accretion of interest	23.72	12.80
Less: Deletion due to closure	(12.46)	(12.89)
Less: Payments	(88.25)	(55.85)
<b>Closing balance</b>	<b>265.89</b>	<b>179.72</b>
Non-Current	192.36	114.72
Current	73.53	65.00
<b>Total</b>	<b>265.89</b>	<b>179.72</b>

(ii) Maturity analysis of lease liabilities (undiscounted basis):

Particulars	As at 31 March 2024	As at 31 March 2023
Not later than one year	73.53	65.00
Later than one year and not later than five years	192.36	114.72
Later than five years	-	-
<b>Total</b>	<b>265.89</b>	<b>179.72</b>

(iii) The effective interest rate for lease liabilities is 10.26% as on 31 March 2024 (9.56% as on 31 March 2023)

(iv) The Company had total cash outflow for leases (including the short-term leases) for 31 March 2024: Rs. 97.44 million (31 March 2023: Rs. 81.40 million).

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 20 : PROVISIONS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-Current</b>		
Provision for employee benefits		
- Provision for gratuity (refer note 39)	15.73	11.85
<b>Total</b>	<b>15.73</b>	<b>11.85</b>
<b>Current</b>		
Provision for employee benefits		
- Provision for gratuity (refer note 39)	1.03	0.16
- Provision for compensated absence (refer note 39)	20.58	16.09
Other provisions		
- Provision for warranties	534.75	220.85
- Provision for expected return liability	559.66	420.87
<b>Total</b>	<b>1,116.02</b>	<b>657.97</b>

The provision for warranties represents management's best estimate of the Company's liability under warranties granted on products, based on prior experience and industry averages.

The provision for expected return liability represents management's best estimate of the Company's liability with respect to the customers contractual right to return goods in case of any defects or on grounds of quality.

#### (i) Movements in Other Provisions

Provision for warranties	As at 31 March 2024	As at 31 March 2023
At the beginning of the year	220.85	484.88
Addition during the year	534.75	220.85
Utilised during the year	(220.85)	(484.88)
<b>At the end of the year</b>	<b>534.75</b>	<b>220.85</b>
Provision for expected return liability	As at 31 March 2024	As at 31 March 2023
At the beginning of the year	420.87	550.00
Addition during the year	559.66	420.87
Utilised during the year	(420.87)	(550.00)
<b>At the end of the year</b>	<b>559.66</b>	<b>420.87</b>

For movements in provisions for employee benefits, refer Note 39.

The Company does not expect any reimbursements in respect of the above provisions.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 21 : TRADE PAYABLES

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprise and small enterprises	91.09	29.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,077.22	2,528.68
<b>Total</b>	<b>2,168.31</b>	<b>2,558.03</b>

Trade payables are non-interest bearing and are normally settled on 0 to 30 day terms.

Refer note 35 for information about liquidity risk and market risk of trade payables.

(i) **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises which are also required as per Ind AS Schedule III:**

Information has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	As at 31 March 2024	As at 31 March 2023
The amounts remaining unpaid to micro and small enterprise suppliers as at the end of the year		
- Principal	91.09	29.35
- Interest	-	-
The amount of interest paid by the buyer as per MSMED Act, 2006	-	-
The amounts of the payments made to micro and small enterprise suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

(ii) **Ageing for trade payable from the due date of payment for each of the category is as follows:**

Trade payables ageing schedule as at 31 March 2024	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	-	68.84	22.25	-	-	-	91.09
Undisputed dues of creditors other than micro enterprises and small enterprises	1,142.18	196.57	705.78	26.29	2.54	3.86	2,077.22
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>1,142.18</b>	<b>265.41</b>	<b>728.03</b>	<b>26.29</b>	<b>2.54</b>	<b>3.86</b>	<b>2,168.31</b>

Trade payables ageing schedule as at 31 March 2023	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	-	29.32	-	0.03	-	-	29.35
Undisputed dues of creditors other than micro enterprises and small enterprises	1,267.99	811.47	437.23	8.94	3.05	-	2,528.68
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>1,267.99</b>	<b>840.79</b>	<b>437.23</b>	<b>8.97</b>	<b>3.05</b>	<b>-</b>	<b>2,558.03</b>

#### NOTE 22 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Current</b>		
Interest accrued and due on borrowings	-	6.88
Payable to employees	67.34	42.20
Capital creditors	5.95	29.54
<b>Total</b>	<b>73.29</b>	<b>78.62</b>

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

#### NOTE 23 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Current</b>		
Contract liability (Advance received from customers)	58.12	23.14
Statutory dues (includes goods and services tax, tax deducted at source, provident fund, etc.)	39.66	34.25
<b>Total</b>	<b>97.78</b>	<b>57.39</b>

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 24 : REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products	31,010.72	32,432.85
Other Operating Income	27.06	151.19
<b>Total Revenue from Operations</b>	<b>31,037.78</b>	<b>32,584.04</b>

#### (i) Reconciliation of Revenue from sale of products with the contracted price:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contracted Price	38,300.27	40,186.37
Less: Returns	(2,632.26)	(2,392.53)
Less: Discounts	(4,657.29)	(5,360.99)
<b>Sale of products</b>	<b>31,010.72</b>	<b>32,432.85</b>

#### (ii) Contract balances:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contract Liabilities (refer note 23)	58.12	23.14

#### Note:

Contract liabilities represent advance received from customers for sale of products at the reporting date.

#### (iii) Movement in contract liabilities during the year:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Balance as at beginning of the year	23.14	7.68
Revenue recognised that was included in the contract liability balance at the beginning of the year	(23.14)	(7.68)
Advance received during the year	58.12	23.14
<b>Balance as at end of the year</b>	<b>58.12</b>	<b>23.14</b>

#### (iv) Disaggregation of revenue from contracts with customers:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Based on geographies</b>		
Within India	30,903.19	32,390.26
Outside India	107.53	42.59
<b>Total</b>	<b>31,010.72</b>	<b>32,432.85</b>
<b>Based on business segments</b>		
Audio	24,591.99	23,508.31
Wearables	5,365.01	7,831.74
Others	1,053.72	1,092.80
<b>Total</b>	<b>31,010.72</b>	<b>32,432.85</b>

#### NOTE 25 : OTHER INCOME

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest Income		
- From Banks (calculated using the effective interest method for financial assets)	137.26	172.96
- From Others	4.74	2.97
Other non-operating income		
- Fair valuation gain from investments designated at FVTPL (net)*	0.15	0.82
- Other non-operating income (includes miscellaneous income, etc.)	36.11	86.83
<b>Total</b>	<b>178.26</b>	<b>263.58</b>

\* Fair valuation gain from investments designated at FVTPL includes Rs. NIL (31 March 2023: Rs. 1.70 million) as 'Net gain or loss on sale of investments'.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 26 : PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchases of stock-in-trade	22,634.39	24,209.80
<b>Total</b>	<b>22,634.39</b>	<b>24,209.80</b>

Note: The above purchase amount is net of high seas sales amounting to Rs. 2107.86 million (March 31, 2023 Rs. 1,633.88 millions). Same is netted off as the Company is merely acting as an agent in buying raw materials and selling it to the manufacturers in India.

#### NOTE 27 : CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventory at the beginning of the year	4,616.48	5,457.34
Inventory at the end of the year	4,293.23	4,616.48
<b>Total changes in inventories of stock-in-trade</b>	<b>323.25</b>	<b>840.86</b>

#### NOTE 28 : EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	814.20	610.76
Contribution to provident fund and other funds	24.78	15.86
Defined benefit plan expenses (refer note 39)	8.09	5.23
Compensated absence	8.66	2.11
Share based payment expense (refer note 40)	111.56	36.22
<b>Total</b>	<b>967.29</b>	<b>670.18</b>

#### NOTE 29 : FINANCE COSTS

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest cost on financial liabilities measured at amortized cost		
- borrowings from banks	545.33	660.90
- Lease liabilities	23.72	12.80
Interest cost on others		
- Net defined benefit liability (refer note 39)	0.89	0.46
Other borrowing costs	58.45	59.82
<b>Total</b>	<b>628.39</b>	<b>733.98</b>

#### NOTE 30 : DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation for property, plant and equipment	66.14	46.15
Depreciation of right-of-use assets	87.38	59.22
Amortisation of intangible assets	66.30	17.36
<b>Total</b>	<b>219.82</b>	<b>122.73</b>

#### NOTE 31 : OTHER EXPENSES

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Warranty expenses	1,445.32	1,343.74
Advertisement and promotion expenses	3,653.93	4,273.12
Freight and transportation charges	621.62	585.47
Legal and professional expenses	185.38	215.52
Contract labour charges	143.67	106.01
Payment to auditor (refer note i below)	7.05	6.60
Fair value loss on account of changes in financial liabilities	8.72	31.23
Lease expense	9.18	25.55
Rates, fees and taxes	24.00	29.18
Repair and maintenance expense	12.87	6.43
Royalty and License Expenses	407.06	302.44
Expenses towards corporate social responsibility (refer note ii below)	6.70	19.88
Information Technology and Support charges	271.97	194.60
Provision for loss allowance for trade receivables	(62.19)	252.52
Provision for doubtful advances	104.00	-
Miscellaneous expenses	311.62	236.60
<b>Total</b>	<b>7,150.90</b>	<b>7,628.89</b>

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 31 : OTHER EXPENSES (CONTINUED)

(i) **Payment to Auditor (excluding applicable taxes)**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
As auditors:		
- Statutory audit	6.50	6.11
- Certification	0.18	0.26
- Other Services	-	-
For reimbursement of expense	0.37	0.23
<b>Total</b>	<b>7.05</b>	<b>6.60</b>

(ii) **Expenses towards corporate social responsibility**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Gross amount required to be spent by the Company during the year	6.70	19.88
(b) Actual amount spent by the Company during the year		
Amount spent during the year on (paid in cash) :		
Construction /acquisition of any asset	-	-
On purpose other than above	6.70	19.88
Amount spent during the year on (yet to be paid in cash) :		
Construction /acquisition of any asset	-	-
On purpose other than above	-	-
	<b>6.70</b>	<b>19.88</b>
(c) Shortfall at the end of the year (paid subsequent to year end)	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA
(f) Nature of CSR activities includes child educational and talent development and healthcare and PM care fund.		
(g) There were no CSR spends which were incurred by the Company through its related party.		
(h) The Company has not spent any excess amount during the year.		
(i) The Company does not have any ongoing projects as at 31 March 2024.		

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 32 : EARNING PER SHARE ('EPS')

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>(Loss) attributable to equity holders:</b>		
Basic (loss)	(535.93)	(1,010.46)
Add: Fair value (gain)/loss on account of change in financial liability	8.72	31.23
Adjusted for the effect of dilution	<b>(527.21)</b>	<b>(979.23)</b>
<b>Weighted average number of Equity Shares for:</b>		
<b>Basis EPS</b>		
Number of equity shares at the beginning of the year	9,60,96,300	9,60,30,300
Add: Issue of Equity Shares on exercise of employee stock option	50,000	66,000
Number of equity shares outstanding at the end of the year	<b>9,61,46,300</b>	<b>9,60,96,300</b>
Number of instruments completely in the nature of equity at the beginning of the year	5,27,269	5,27,269
Number of equity shares outstanding at the end of the year	<b>5,27,269</b>	<b>5,27,269</b>
Total of equity shares and instruments completely in the nature of equity	<b>9,66,73,569</b>	<b>9,66,23,569</b>
Weighted average number of shares outstanding during the year for Basic EPS	9,66,73,569	9,65,79,065
<b>Diluted EPS</b>		
Weighted average number of shares outstanding during the year for Basic EPS	9,66,73,569	9,65,79,065
Add: Employee stock options outstanding	5,60,643	5,58,660
Add: Instrument classified as financial liabilities (Refer note (b))	1,43,14,251	1,43,14,251
Weighted average number of shares outstanding during the year for Diluted EPS	11,15,48,462	11,14,51,975
<b>(Loss) Per Share (Rs.):</b>		
Basic	(5.54)	(10.46)
Diluted	(4.73)	(8.79)
Diluted (restricted to basic EPS)	(5.54)	(10.46)

**Note:**

- (a) For the purpose of computing Basic EPS, equity shares which will be issued upon conversion of Instrument entirely Equity in nature have been considered from the date of their issue.
- (b) The number of preference shares to be converted into equity shares is based on the adjustment ratio as mentioned in the SHA dated October 24, 2022.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 33 : CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(i) **Contingent Liabilities**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Contingencies</b>		
Indirect Tax matters (refer note(a) and (b))	435.90	341.98
<b>Claims against the Company not acknowledged as debts</b>		
Dividend on 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each @	0.03	0.02
Dividend on 0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each @	#	#
(a) The Company has received a show cause notice from the Commissioner of Customs (Import) alleging incorrect classification of the product "Bluetooth Headphone". The Company has filed an appeal before Commissioner of Customs (Import) ACC Sahar. The Company believes that the it has a strong case and expects no significant outflow of liability. Hence same has been disclosed as contingent liabilities. The above amount excludes interest and penalty.		
(b) The Company has received a show cause notice from the Commissioner of Customs (Import) alleging incorrect classification of the product "Bluetooth Headset and Headphone". The Company has filed an appeal before Commissioner of Customs (Import) JNCH. The Company believes that the it has a strong case and expects no significant outflow of liability. Hence same has been disclosed as contingent liabilities. The above amount excludes interest and penalty.		
(c) @ The Company has issued NIL (31 March 2023: 17,269) 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each which carry a right to preferred cumulative dividend of 0.01% of the par value per annum. As at 31 March 2023, the arrears of preferred cumulative dividend not yet declared by the Company amounts to Rs 33,219 (31 March 2023: Rs. 22,857). # During the previous year, the Company has issued 0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each which carry a right to preferred cumulative dividend of 0.01% of the par value per annum. As at 31 March 2024, the arrears of preferred cumulative dividend not yet declared by the Company amounts to Rs 1,997 (31 March 2023: Rs. 500).		
(d) There are no other contingent liabilities as on 31 March 2024 (31 March 2023: Nil)		

(ii) **Contingent assets**

There are no contingent assets as on 31 March 2024 (31 March 2023: Nil)

#### NOTE 34 : COMMITMENTS

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. Lease commitments</b>		
Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets, leases with term less than twelve months and variable leases.		
Not later than one year	-	1.49
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	1.49
<b>B. Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	4.96	44.04
<b>C. Other commitments</b>		
Commitments other than capital in nature	1,784.43	8,492.47
The company has given support letter to provide financial support to its subsidiaries - Dive Marketing Private Limited and HOB Ventures Private Limited	-	-



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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 35 : FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS

##### A. Financial instruments by category and their fair value

The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	Notes	Carrying amount	
		As at 31 March 2024	As at 31 March 2023
<b>FINANCIAL ASSETS</b>			
<b>Financial assets measured at fair value</b>			
Investments measured at			
- Fair value through profit or loss	7	-	8.14
<b>Financial assets measured at amortised cost</b>			
Investments in Subsidiaries, Associates and Joint venture	6	3,246.24	2,832.98
Trade receivables	11	1,497.06	2,694.15
Cash and cash equivalents	12	532.64	1,392.27
Bank balance other than cash and cash equivalents	13	1,935.00	1,930.40
Loans	14	37.04	27.45
Other financial assets	8	205.33	375.93
<b>Total financial assets</b>		<b>7,453.31</b>	<b>9,261.32</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Financial liabilities measured at fair value</b>			
Financial liabilities in relation of CCPS issued during the year	18	5,039.95	5,031.23
<b>Financial liabilities measured at amortised cost</b>			
Borrowings	18	3,561.92	7,329.86
Lease liabilities	19	265.89	179.72
Trade payables	21	2,168.31	2,558.03
Other financial liabilities	22	73.29	78.62
<b>Total financial liabilities</b>		<b>11,109.36</b>	<b>15,177.46</b>

##### B. Fair Value Hierarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

**Level 1:** Quoted prices for identical instruments in an active market;

**Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2024</b>				
<b>Assets at fair value</b>				
Financial liabilities in relation of CCPS issued during the year	-	-	5,039.95	5,039.95
<b>As at 31 March 2023</b>				
<b>Assets at fair value</b>				
Investments in mutual funds	8.14	-	-	8.14
Financial liabilities in relation of CCPS issued during the year	-	-	5,031.23	5,031.23

There have been no transfers between Level 1 and Level 2 during the reporting periods.

##### Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31 March 2023.

##### Financial assets and liabilities measured at fair value as at Balance Sheet date:

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

During the previous year, the Company has issued 0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each (Series C CCPS) classified as financial liability. The Company has derived the fair value of CCPS with the help of independent valuer. The valuer has used discounted cash flow method to derive the value of the instruments. The Company used level III fair valuation model for fair valuation of CCPS.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 35 : FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

##### B. Fair Value Hierarchy (Continued)

##### Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the condensed statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Compulsory Convertible Preference Shares	For the purpose of determining fair value, the Company has used the Discounted cash flow technique.  • Discounted cash flows technique (DCF): The valuation model considers the present value of expected cash flows, discounted using a risk-adjusted discount rate. The expected cashflows is determined by considering the forecast annual revenue and EBITDA.	• Discounted cash flow (DCF) :  - Forecast annual revenue growth rate  - Forecast Terminal revenue growth rate  - Risk-adjusted discount rate	The estimated fair value would increase (decrease) if:  - the forecast annual revenue growth rate were higher (lower);  - the terminal growth rate were higher (lower);  - the risk adjusted discount rate were lower (higher).

##### Significant unobservable inputs used for Level III fair valuation are as follow:

- Risk-adjusted discount rate	17.99%
- Forecast Terminal revenue growth rate	3.00%
- Forecast annual revenue growth rate	2% to 17%

##### Transfers between Levels in the fair value hierarchy

There have been no transfers between levels in the fair value hierarchy

##### Level 3 fair values

Particulars	Series C CCPS
Balance at the beginning of the period	5,031.23
Issued during the year	-
Unrealised Losses recognised in profit or loss	8.72
Balance at the end of the period	<u>5,039.95</u>

##### Level 3 fair value sensitivity analysis

Sensitivity analysis: Impact on profit and loss (after tax)	Increase/Decrease	Change by 1%	Impact on Profit and Loss (in millions)	(Gain)/Loss
- Risk-adjusted discount rate	Increase	1.00%	(70.93)	(Gain)
	Decrease	1.00%	70.93	Loss
- Forecast Terminal revenue growth rate	Increase	1.00%	6.52	Loss
	Decrease	1.00%	(6.52)	(Gain)

##### Other financial assets and liabilities

Fair value of financial assets and liabilities measured at amortised cost (cash and cash equivalents, other bank balance, trade receivables, other financial assets, trade payables, borrowings, lease liabilities and other financial liabilities) is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 35 : FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

##### C. Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

##### (i) Management of Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

##### Financing arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year:

Particulars	As at	As at
	31 March 2024	31 March 2023
Cash credit facilities (includes bank overdraft and working capital facilities)	5,933.31	3,579.37
Other financing arrangements (includes bill discounting, letter of credit, etc.)	1,000.00	340.78
	<b>6,933.31</b>	<b>3,920.15</b>

##### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest receipts / payments and exclude the impact of netting agreements.

Particulars	Note	Discounted / Carrying amount	Undiscounted Amount		Total
			Within 1 year	More than 1 year	
<b>As at 31 March 2024</b>					
<b>Financial liabilities (non derivative liabilities)</b>					
Borrowings - Short term	18	3,561.92	3,561.92	-	3,561.92
Borrowings - Long term	18	5,039.95	-	5,039.95	5,039.95
Lease liabilities	19	265.89	101.06	209.77	310.83
Trade payables	21	2,168.31	2,168.31	-	2,168.31
Other financial liabilities	22	73.29	73.29	-	73.29
<b>As at 31 March 2023</b>					
<b>Financial liabilities (non derivative liabilities)</b>					
Borrowings - Short term	18	7,329.86	7,329.86	-	7,329.86
Borrowings - Long term	19	5,031.23	-	5,031.23	5,031.23
Lease liabilities	21	179.72	76.81	141.58	218.39
Trade payables		2,558.03	2,558.03	-	2,558.03
Other financial liabilities	22	78.62	78.62	-	78.62

##### Note:

For terms and conditions on series C CCPS refer note foot note (viii) to note 18

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 35 : FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

##### C. Financial risk management (continued)

##### (ii) Management of Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.

The Company size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk
- price risk
- interest rate risk

##### Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The functional currency of the Company is Indian Rupees and its revenue is generated from operations in India. The Company does not enter into any derivative instruments for trading or speculative purposes. The Company's borrowings are all in Indian rupees.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Payable</b>		
USD		
Amount in foreign currency	1.08	3.16
Amount in INR	90.43	260.14
CNY		
Amount in foreign currency	-	0.04
Amount in INR	-	0.47
<b>Receivable</b>		
USD		
Amount in foreign currency	-	0.04
Amount in INR	-	3.11

The Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 35 : FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

##### C. Financial risk management (continued)

Particulars		As at 31 March 2024	As at 31 March 2023
5% strengthening of INR compared to USD	Profit or (Loss)	4.52	13.01
5% strengthening of USD compared to INR	Profit or (Loss)	(4.52)	(13.01)
5% strengthening of INR compared to USD	Equity (net of tax)	3.38	9.73
5% strengthening of USD compared to INR	Equity (net of tax)	(3.38)	(9.73)

##### Price risk

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds.

The carrying amounts of the Company's investment in mutual funds are as follows:

Particulars		As at 31 March 2024	As at 31 March 2023
Investments in mutual funds		-	8.14
<u>Sensitivity analysis:</u>			
1% increase in prices	Profit or (Loss)	-	0.08
1% decrease in prices	Profit or (Loss)	-	(0.08)
1% increase in prices	Equity (net of tax)	-	0.06
1% decrease in prices	Equity (net of tax)	-	(0.06)

##### Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's portfolio of borrowings comprise of variable rate loans which are monitored continuously in the light of market conditions. The Company does not any fixed rate loans.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss except for series C CCPS classified as financial liabilities and the Company does not have any designated derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

##### Fixed-rate instruments

	As at 31 March 2024	As at 31 March 2023
Financial assets (fixed deposits, security deposits and interest accrued on deposits)	2,672.97	3,698.60
Financial liabilities	5,039.95	5,031.23

##### Variable rate instruments

	As at 31 March 2024	As at 31 March 2023
Financial assets	-	-
Financial liabilities	3,561.92	7,329.86

Particulars		As at 31 March 2024	As at 31 March 2023
<u>Sensitivity analysis:</u>			
100 bps increase	Profit or (Loss)	(35.62)	(73.30)
100 bps decrease	Profit or (Loss)	35.62	73.30
100 bps increase	Equity (net of tax)	(26.65)	(54.85)
100 bps decrease	Equity (net of tax)	26.65	54.85

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 35 : FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

##### C. Financial risk management (continued)

##### (iii) Management of Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Company. The potential activities where credit risks may arise include from cash and cash equivalents and security deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

##### Trade receivables

The Company's exposure to credit risk is that the Company has major business dealings with few parties to whom sales are made on credit basis. The Company's majority customer base are e-commerce marketplace players. Since the sales are as per contract, the company's exposure to credit risk is influenced by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base including the default risk associated with the industry.

The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The Company uses simplified approach to identify the credit risk. For customers outstanding more than 365 days, the Company provides for 100% outstanding receivables. For receivables outstanding for less than 365 days, the Company evaluates the credit risk based on case to case basis and makes provision if required. The Company has also considered an assessment of past history and has taken into account various factors including future forecast conditions for determination of allowance for expected credit loss.

Refer to note 11 (iii) & (iv) for ageing for trade receivables from the due date of payment.

The Company does not have any impaired trade receivables as on March 31, 2024

##### Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and other financial assets. The Company has set counter-party limits based on multiple factors including financial position, credit rating, etc. The Company's maximum exposure to credit risk as at 31 March 2024 and 31 March 2023 is the carrying value of each class of financial assets.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 36 : CAPITAL MANAGEMENT

The Company defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company (which is the Company's net asset value). The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows.

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings (refer note 18) (refer note b below)	8,601.87	12,367.97
Lease liabilities (refer note 19)	265.89	179.72
Total debt liabilities	8,867.76	12,547.69
Less : Cash and bank balances (refer note 12)	(532.64)	(1,392.27)
Less : Bank balance other than cash and cash equivalents (refer note 13)	(1,935.00)	(1,930.40)
Less : Bank deposits with remaining maturity more than 1 year (refer note 8)	-	(215.00)
Less : Bank deposits with remaining maturity less than 1 year (refer note 8)	(135.00)	-
Less : Financial Liability in relation to CCPS (Refer note 18)	(5,039.95)	(5,031.23)
Adjusted net debt	1,225.17	3,978.79
Total equity	4,715.47	5,129.78
Add : Financial Liability in relation to CCPS if classified as instruments entirely in equity in nature	5,039.95	5,031.23
Total adjusted equity	9,755.42	10,161.01
Net debt equity ratio (net of cash and bank balances)	1.33	0.78
Adjusted debt to adjusted equity ratio	0.13	0.39

#### Note:

- a. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.
- b. Borrowings include financial liability in relation to CCPS issued during the year which is classified as financial liability as per Ind AS.

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

### NOTE 37 : RELATED PARTY DISCLOSURES

#### A. Names of the related parties of the Company

<b>Entity having significant influence</b>	South Lake Investment Ltd (with effect from 5 January 2021)
<b>Subsidiary company</b>	Dive Marketing Private Limited (with effect from 3 June 2021) HOB Ventures Private Limited (with effect from 31 December 2021) Imagine Marketing Singapore Pte. Ltd. (with effect from 29 November 2021) Kaha Pte Ltd (with effect from 11 February 2022) Kaha Technologies Private Limited (with effect from 2 February 2022)
<b>Associate company</b>	Sirena Labs Private Limited (with effect from 5 November 2019 upto June 3, 2022)
<b>Joint Venture</b>	Califonix Tech and Manufacturing Private Limited (with effect from 27 April 2022 )
<b>Key management personnel (KMP)</b>	Mr. Aman Gupta - Director Mr. Sameer Mehta - Director (Chief Executive Officer with effect from 4 May 2023) Mr. Anish Saraf - Director Mr. Aashish Kamat - Independent Director Mr. Anand Ramamoorthy - Independent Director Mr. Deven Waghani - Independent Director Ms. Purvi Sheth - Independent Director Mr. Vivek Gambhir - Chief Executive Officer (with effect from 9 February 2021, upto 4 May 2023), currently non executive director of the Company Mr. Ankur Sharma - Chief Financial Officer (upto 12 December 2023) Mr. Rakesh Thakur - Chief Financial Officer (with effect from 12 December 2023) Ms. Dhara Joshi - Company Secretary (upto 5 May 2022) Mr. Mukesh Ranga - Company Secretary (with effect from 5 May 2022, upto 13 October 2023) Mr. Shreekant Sawant - Company Secretary (with effect from 11 April 2024)
<b>Entities in which KMP have significant influence</b>	Redwood Interactive ( Partnership firm, were one of the Director is interested)

#### B. Disclosure of transactions between the Company and related parties

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Sales of goods</b>		
Kaha Pte. Ltd.	2.60	3.11
<b>Purchase of goods</b>		
Kaha Pte. Ltd.	15.41	628.94
Califonix Tech and Manufacturing Private Limited	4,006.40	-
<b>Purchase of Services (License fees and other services)</b>		
Kaha Pte. Ltd.	332.17	241.16
<b>Royalty expense</b>		
Dive Marketing Private Limited	1.01	3.38
<b>Rent income</b>		
Dive Marketing Private Limited	0.20	0.23
HOB Ventures Private Limited	0.22	0.13
<b>Interest income</b>		
Dive Marketing Private Limited	2.39	1.89
<b>Reimbursement of expenses received</b>		
Kaha Pte. Ltd.	6.97	6.02



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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

### 37 RELATED PARTY DISCLOSURES (CONTINUED)

#### B. Disclosure of transactions between the Company and related parties (continued)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Reimbursement of expenses paid</b>		
Mr. Aman Gupta	0.39	1.11
Mr. Sameer Mehta	0.01	0.14
Mr. Ankur Sharma	0.08	-
Mr. Vivek Gambhir	0.23	1.16
Mr. Anand Ramamoorthy	0.03	-
Mr. Mukesh Ranga	0.00	-
Mr. Rakesh Thakur	0.20	-
<b>Contribution paid towards equity share capital</b>		
Imagine Marketing Singapore Pte. Ltd.	248.26	445.74
Califonix Tech and Manufacturing Private Limited	165.00	50.50
<b>Loan given</b>		
Dive Marketing Private Limited	10.00	-
<b>Advance against supply of goods given during the year</b>		
Kaha Pte. Ltd.	-	91.30
Califonix Tech and Manufacturing Private Limited	3,760.09	-
<b>Issue of Preference Shares including share premium</b>		
South Lake Investment Ltd	-	4,000.00
<b>Sale of Property Plant and Equipment</b>		
Califonix Tech and Manufacturing Private Limited	78.91	-
<b>Purchase of Property Plant and Equipment</b>		
Kaha Pte. Ltd.	-	14.69
<b>Directors Sitting Fees</b>		
Mr. Aashish Kamat	0.48	0.80
Ms. Purvi Sheth	0.53	0.80
Mr. Deven Waghani	0.15	0.63
Mr. Anand Ramamoorthy	0.40	1.00
Mr. Vivek Gambhir	0.35	-
<b>Commission to Directors</b>		
Mr. Aashish Kamat	1.50	1.50
Mr. Anand Ramamoorthy	1.50	1.50
Mr. Deven Waghani	1.50	1.50
Ms. Purvi Sheth	1.50	1.50

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

### 37 RELATED PARTY DISCLOSURES (CONTINUED)

#### B. Disclosure of transactions between the Company and related parties (continued)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Remuneration to Key management personnel</b>		
Mr. Aman Gupta	25.00	25.00
Mr. Sameer Mehta	25.00	25.00
Mr. Vivek Gambhir	19.16	29.57
Mr. Ankur Sharma	14.85	13.22
Ms. Dhara Joshi	-	0.24
Mr. Mukesh Ranga	0.92	1.46
Mr. Rakesh Thakur	8.58	-
<b>Share based payments expense</b>		
Mr. Rakesh Thakur	0.96	-
Mr. Ankur Sharma	-	3.27

#### C. Status of outstanding balances

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Trade and other receivables</b>		
Kaha Pte. Ltd.	-	3.13
Dive Marketing Private Limited	0.05	0.02
HOB Ventures Private Limited	0.06	-
<b>Trade payables</b>		
Dive Marketing Private Limited (including provisions)	0.77	0.62
<b>Advance to vendor</b>		
Kaha Pte. Ltd.	14.63	38.23
Califonix Tech and Manufacturing Private Limited	149.49	-
<b>Loan receivable</b>		
Dive Marketing Private Limited	37.00	27.00
<b>Interest receivable on loan</b>		
Dive Marketing Private Limited	3.43	1.28
<b>Commission to Directors Payable</b>		
Mr. Aashish Kamat	3.00	1.50
Mr. Anand Ramamoorthy	3.00	1.50
Mr. Deven Waghani	3.00	1.50
Ms. Purvi Sheth	3.00	1.50

#### D. Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables.

#### E. Payment of Managerial Remuneration

Managerial remuneration to the executive directors was in accordance with the terms of appointment and remuneration as approved by the shareholders by special resolutions passed at the 9th Annual General Meeting (AGM) held on December 23, 2022. However, during the previous year ended 31st March 2023, the Company has paid remuneration to its executive directors and provided for commission to its independent directors which is in excess of the limits provided under section 197 read with Schedule V to the Act by Rs. 85.57 million. During the current year, the Company has obtained reapprovals from the Members of the Company under section 197(10) by way of special resolutions in the 10th Annual General Meeting for the excess remuneration paid/provided. Further, for the year ended March 31, 2024, the Company has obtained approval for excess remuneration to the executive directors in excess of the limits provided under section 197 read with schedule V to the Act by way of special resolution in the 10th Annual General Meeting and accordingly the Company is in compliance with the provisions of section 197 of the Act.

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

## Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

### NOTE 38 : SEGMENT INFORMATION

#### A. Business Segments

The Company has determined following reporting segments based on the information reviewed by the Company's Chief Operating Decision Maker ('CODM'):

- (i) Audio includes wired earphone, wireless earphone, wired headphone, wireless headphone, wireless speakers and soundbar.
- (ii) Wearables include smart watches.
- (iii) Others includes cables, charges, mens grooming kit and gaming equipments.

The above business segments have been identified considering:

- (i) the nature of products
- (ii) the differing risks and returns
- (iii) the internal organisation and management structure, and
- (iv) the internal financial reporting systems

The Chief Executive Officer of the Company, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM.

Segment Results are arrived at based on segment revenues less direct and allocable cost associated with the segment.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue</b>		
<b>External revenue</b>		
Audio	24,591.99	23,508.31
Wearables	5,365.01	7,831.74
Others	1,053.72	1,092.80
	<b>31,010.72</b>	<b>32,432.85</b>
<b>Inter segment</b>		
Audio	-	-
Wearables	-	-
Others	-	-
	-	-
<b>Total</b>		
Audio	24,591.99	23,508.31
Wearables	5,365.01	7,831.74
Others	1,053.72	1,092.80
	<b>31,010.72</b>	<b>32,432.85</b>
<b>Result</b>		
Audio	2,287.40	1,401.10
Wearables	(1,960.59)	(1,237.07)
Others	5.19	(403.60)
	<b>332.00</b>	<b>(239.57)</b>
<b>Segment Results</b>		
Un-allocated expenses net of un-allocated income	(384.41)	(467.98)
Interest income	142.00	175.93
Interest cost	(569.05)	(673.24)
Fair value loss on account of changes in financial liabilities	(8.72)	(31.23)
Depreciation and amortisation	(219.82)	(122.73)
<b>(Loss) before tax</b>	<b>(708.00)</b>	<b>(1,358.82)</b>
Tax expense		
Current tax	0.16	-
Deferred tax	(172.23)	(348.36)
<b>Total tax expense</b>	<b>(172.07)</b>	<b>(348.36)</b>
<b>(Loss) for the year</b>	<b>(535.93)</b>	<b>(1,010.46)</b>

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 38 : SEGMENT INFORMATION (CONTINUED)

##### B. Other Information

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Segment Assets</b>		
Audio	4,846.64	4,416.80
Wearables	2,425.08	2,584.60
Others	372.20	472.61
Total segment assets	7,643.92	7,474.01
Unallocated corporate assets	9,410.44	13,560.44
<b>Total assets</b>	<b>17,054.36</b>	<b>21,034.45</b>
<b>Segment Liabilities</b>		
Audio	2,500.46	1,763.15
Wearables	649.55	697.63
Others	112.72	97.27
Total segment liabilities	3,262.73	2,558.04
Unallocated corporate liabilities	9,076.16	13,346.63
<b>Total liabilities</b>	<b>12,338.89</b>	<b>15,904.67</b>

##### B. Other Information (continued)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Capital expenditure</b>		
Audio	94.77	112.61
Wearables	22.58	44.56
Others	4.31	6.21
Unallocated	192.06	355.97
<b>Depreciation/Amortisation</b>		
Audio	5.58	20.72
Wearables	1.34	8.20
Others	1.34	1.14
Unallocated	211.56	92.67
<b>Non-cash expenses other than depreciation</b>		
Audio	-	-
Wearables	-	-
Others	-	-
Unallocated	816.85	664.07

##### C. Additional information by geographies

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue by Geographical Market</b>		
India	30,903.19	32,390.27
Outside India	107.53	42.59

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Carrying Amount of Segment Assets</b>		
India	7,629.29	7,432.64
Outside India	14.63	41.37
<b>Non-current assets *</b>		
India	893.38	786.46
Outside India	-	-

\* Non-current assets excludes financial instruments and deferred tax assets.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 38 : SEGMENT INFORMATION (CONTINUED)

##### D. Revenue from major customers

The Company earns revenue from few of its major customers which individually amounts to 10 per cent or more of the Company's revenues. Details of such customers (i.e. the total amount of revenues from each such customer) are disclosed below. Revenue from such customers are reported under all the segments of the Company.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Customer 1 (net of returns)	13,334.70	11,208.93
Customer 2 (net of returns)	9,134.91	10,328.34

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 39 : EMPLOYEE BENEFIT PLANS

##### A. Defined Contribution Plan

Amount incurred and paid towards contribution to provident fund, Labour Welfare Fund and employees' state insurance corporation is recognised as an expense and included in employee benefit expense:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contribution to provident fund and other funds	24.78	15.86

##### B. Defined Benefit Plan

###### (i) Description of Plan

Retirement Benefit Plan of the Company include Gratuity. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service with maximum ceiling as per Companies policies. Gratuity plan is unfunded.

###### (ii) Balance Sheet

The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31 March 2024	As at 31 March 2023
Fair value of plan assets	-	-
Present value of obligations	(16.76)	(12.01)
<b>(Liability) recognised in balance sheet</b>	<b>(16.76)</b>	<b>(12.01)</b>

Movements in Present Value of Obligation:

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit obligation at the commencement of the year	12.01	6.46
Current service cost	8.09	5.23
Past service cost	-	-
Interest cost	0.89	0.46
Actuarial losses / (gains)	(3.97)	0.69
Benefits paid	(0.27)	(0.83)
<b>Defined benefit obligation at the end of the year</b>	<b>16.76</b>	<b>12.01</b>
Provision for gratuity (under Non-Current provisions) (Refer note 20)	15.73	11.85
Provision for gratuity (under Current provisions) (Refer note 20)	1.03	0.16
	<b>16.76</b>	<b>12.01</b>

###### (iii) Standalone statement of profit and loss

The charge to the Standalone statement of profit and loss comprises:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Employee Benefit Expenses:</b>		
Current service cost	8.09	5.23
Past service cost	-	-
	<b>8.09</b>	<b>5.23</b>
<b>Finance costs:</b>		
Interest cost	0.89	0.46
Interest income	-	-
	<b>0.89</b>	<b>0.46</b>
<b>Net impact on profit (before tax)</b>	<b>8.99</b>	<b>5.69</b>
<b>Remeasurement of the net defined benefit plans:</b>		
Actuarial (gains)/losses arising from changes in financial assumptions	0.25	(0.34)
Actuarial (gains)/losses arising from changes in demographic assumptions	(2.52)	-
Actuarial (gains)/losses arising from experience adjustments	(1.70)	1.35
<b>Net impact on other comprehensive income (before tax)</b>	<b>(3.97)</b>	<b>1.01</b>

###### (iv) Assumptions

With the objective of presenting the plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Financial Assumptions</b>		
Discount rate (per annum)	7.20%	7.50%
Salary Escalation Rate (per annum)	7.00%	7.00%

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds, which is consistent with the estimated terms of the obligation.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 39 : EMPLOYEE BENEFIT PLANS (CONTINUED)

##### (iv) Assumptions (continued)

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Particulars		As at 31 March 2024	As at 31 March 2023
<b>Demographic Assumptions</b>	Age		
Withdrawal Rate	25 and below	24.00%	10.00%
	25 to 35	24.00%	8.00%
	35 to 45	24.00%	6.00%
	45 to 55	24.00%	4.00%
	55 and above	24.00%	2.00%
Mortality Rate		Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

##### (v) Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

Particulars			As at 31 March 2024	As at 31 March 2023
Discount rate (per annum)	Increase	0.50%	(16.36)	(11.37)
	Decrease	0.50%	17.17	12.71
Salary escalation rate (per annum)	Increase	0.50%	17.10	12.40
	Decrease	0.50%	(16.41)	(11.56)
Withdrawal Rate	Increase	W.R. x 110%	(15.91)	(12.03)
	Decrease	W.R. x 90%	17.62	11.96

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous years.

##### (vi) Weighted average duration of the defined benefit plan:

Particulars	As at 31 March 2024	As at 31 March 2023
Gratuity plan	4.11	12.38

##### (vii) Expected future cash flows in respect of gratuity:

Particulars	As at 31 March 2024	As at 31 March 2023
Less than a year	1.03	0.16
Between 2-5 years	10.80	2.96
More than 5 years	9.01	6.23

#### C. Compensated absences

Particulars	As at 31 March 2024	As at 31 March 2023
Expense towards compensated absences included in Employee Benefit expenses	8.66	2.11

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for compensated absences	20.58	16.09

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 40 : SHARE BASED PAYMENTS

##### Equity Settled Share Based Payments

##### Employees Stock Option Plan 2019 ('ESOP 2019')

The ESOP 2019 had been formulated by the Board of Directors of the Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 15 November 2019 and subsequently amended on 25 March 2021. The ESOP 2019 entitles eligible employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2019, holders of vested options are entitled to purchase an equity share for every option at an exercise price as stated in the grant letter.

##### Management Stock Option Plan 2021 ('ESOP 2021')

The ESOP 2021 has been formulated by the Board of Directors of the Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 25 March 2021. The ESOP 2021 entitles eligible employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2021, holders of vested options are entitled to purchase on equity share for every option at an exercise price as stated in the grant letter.

##### Employees Stock Option Plan 2023 ('ESOP 2023')

The ESOP 2023 has been formulated by the Board of Directors of the Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 3 September 2023. The ESOP 2023 entitles eligible employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2023, holders of vested options are entitled to purchase on equity share for every option at an exercise price as stated in the grant letter.

Plan	Employee Entitled	Vesting Conditions	Contractual life of options
ESOP 2019	Eligible Employees	Continued employment with Company	4 years
ESOP 2021	Eligible Employees	Continued employment with Company	4 years
ESOP 2023	Eligible Employees	Continued employment with Company	4 years

Scheme	Year	Date of Grant	Numbers of options granted		Vesting Conditions	Exercise Period	Exercise Price (Rs.) per share (refer note below)	Weighted Average Exercise Price (Rs.) per share
ESOP 2019	2020	16 November 2019	256	Graded vesting over 4 years from grant date	7 years from date of vesting		30.27	30.27
	2021	15 November 2020	453	Graded vesting over 4 years from grant date	7 years from date of vesting		30.27	30.27
	2021	25 March 2021	50	Graded vesting over 4 years from grant date	7 years from date of vesting		30.27	30.27
	2022	25 October 2021	14,33,500	Graded vesting over 4 years from grant date	7 years from date of vesting		141.88	141.88
	2022	25 October 2021	30,000	Vesting over 1 years from grant date	7 years from date of vesting		141.88	141.88
	2022	2 December 2021	14,250	Graded vesting over 4 years from grant date	7 years from date of vesting		141.88	141.88
	2022	1 February 2022	4,10,000	Graded vesting over 4 years from grant date	7 years from date of vesting		141.88	141.88
	2022	29 March 2022	5,37,400	Graded vesting over 4 years from grant date	7 years from date of vesting		141.88	141.88
	2023	24 June 2022	60,000	Graded vesting over 4 years from grant date	7 years from date of vesting		141.88	141.88
	2023	24 June 2022	1,20,517	Graded vesting over 4 years from grant date	7 years from date of vesting		450.00	450.00
	2023	21 December 2022	8,75,000	Graded vesting over 4 years from grant date	7 years from date of vesting		218.00	218.00
	2023	21 December 2022	1,50,000	Graded vesting over 4 years from grant date	7 years from date of vesting		300.00	300.00
	2023	21 December 2022	3,03,042	Graded vesting over 4 years from grant date	7 years from date of vesting		450.00	450.00
	2023	30 January 2023	1,32,443	Graded vesting over 4 years from grant date	7 years from date of vesting		450.00	450.00
ESOP 2021	2021 - 1	13 April 2021	2,062	Grade vesting over 4 years from grant date	7 years from date of vesting		141.88	141.88
	2021 - 2	13 April 2021	687	4 years from grant date	7 years from date of vesting		141.88	141.88
ESOP 2023	2024	15 October 2023	1,39,327	Grade vesting over 4 years from grant date	As per the scheme		450.00	450.00
	2024	15 January 2024	15,000	Grade vesting over 4 years from grant date	As per the scheme		450.00	450.00

#### Note:

- The original exercise price for the shares granted under the ESOP 2019 on 16 November 2019, 15 November 2020 and 25 March 2021 was Rs. 60,532 per share. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Company adjusted the exercise price for ESOPs under the ESOP 2019 Plan in accordance with their terms of issuance as set out in the ESOP 2019 and the exercise price was amended from Rs. 60,532 to Rs. 302.66. Further on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share resulting in adjustment of exercise price from Rs. 302.66 to Rs 30.27.
- The original exercise price for the shares granted under the ESOP 2021 on 13 April 2021 was Rs. 283,749 per share. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Company adjusted the exercise price for ESOPs under the ESOP 2021 in accordance with their terms of issuance as set out in the ESOP 2021 and the amended from Rs. 283,749 to Rs. 1,418.75. Further on December 15, 2021 the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share resulting in adjustment of exercise price from Rs. 1,418.75 to Rs 141.88.
- The original exercise price for the shares granted under the ESOP 2019 on 25 October 2021 and 02 December 2021 was Rs. 1,418.745 per share. Pursuant to the Corporate Event on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share, the Company adjusted the exercise price for ESOPs under the ESOP 2019 in accordance with their terms of issuance as set out in the ESOP 2019 and the amended from Rs. 1,418.75 to Rs. 141.88.



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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 40 : SHARE BASED PAYMENTS (CONTINUED)

Scheme	Year	For the year ended	Number of Share Options				Outstanding at the end of the year
			Outstanding at the beginning of the year	Granted during the year*	Forfeited/Expired during the year	Exercised during the year	
ESOP 2019	2019	31 March 2021	256	-	(15)	-	241
		31 March 2022	241	4,81,759	(1,10,000)	(1,96,500)	1,75,500
		31 March 2023	1,75,500	-	(52,000)	(54,500)	69,000
		31 March 2024	69,000	-	(4,000)	-	65,000
	2021	31 March 2021	-	453	-	-	453
		31 March 2022	453	9,05,547	(3,08,000)	(1,20,300)	4,77,700
		31 March 2023	4,77,700	-	(61,500)	-	4,16,200
		31 March 2024	4,16,200	-	(35,000)	-	3,81,200
	2021	31 March 2021	-	50	-	-	50
		31 March 2022	50	99,950	-	-	1,00,000
		31 March 2023	1,00,000	-	-	-	1,00,000
		31 March 2024	1,00,000	-	-	-	1,00,000
	2022	31 March 2022	-	24,25,150	(42,000)	-	23,83,150
		31 March 2023	23,83,150	-	(3,79,500)	(11,500)	19,92,150
		31 March 2024	19,92,150	-	(3,72,820)	-	16,19,330
	2023	31 March 2023	-	16,41,002	(15,700)	-	16,25,302
31 March 2024		16,25,302	-	(42,296)	-	15,83,006	
2024	31 March 2024	-	1,39,300	(61,111)	-	78,189	
ESOP 2021	2021 - 1	31 March 2021	-	2,062	-	-	2,062
		31 March 2022	2,062	41,21,938	-	-	41,24,000
		31 March 2023	41,24,000	-	(20,60,000)	-	20,64,000
		31 March 2024	20,64,000	-	-	(50,000)	20,14,000
	2021 - 2	31 March 2021	-	687	-	-	687
		31 March 2022	687	13,73,313	-	-	13,74,000
		31 March 2023	13,74,000	-	(13,74,000)	-	-
		31 March 2024	-	-	-	-	-
ESOP 2023	2024	31 March 2024	-	1,54,327	(1,991)	-	1,52,336

\* Granted during the previous year includes additional options granted upon issuance of bonus shares to existing shareholders and share split from Rs. 10 each to Re. 1 each (refer note 16(f))

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 40 : SHARE BASED PAYMENTS (CONTINUED)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Weighted average equity share price at the date of exercise of options during the year	353.88	348.24
Weighted average remaining contractual life of options (years) as at the end of the year	6.77	8.45

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Risk-free interest rate (%)	7.01% to 7.33%	7.14% to 7.44%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	4 to 5.5 years	4 to 5.5 years
Expected volatility (%)	22.17% to 22.18%	15.42% to 22.85%
Dividend yield	0.00%	0.00%

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

#### Effect of share based payment transactions on the Standalone statement of profit and loss:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Equity settled share based payments	111.56	36.22
<b>Total expense recognized under "Employee benefits expense" (note 28)</b>	<b>111.56</b>	<b>36.22</b>

#### NOTE 41 : INVESTMENT IN SIRENA LABS PRIVATE LIMITED

The Company had invested Rs. 50 million in Sirena Labs Private Limited ("SLPL") on 5 November 2019 pursuant to which 3,703 equity shares of Rs. 10 each of SLPL were issued to the Company which accounted for 27% share by the Company in SLPL.

During the year ended 31 March 2021, on account of non-payment of dues by SLPL, the Company initiated a legal dispute against the management of SLPL. As a result, the entire carrying value of the Company's investment in SLPL including receivables was provided for.

During the year ended 31 March 2023, the Company vide agreement dated 31 May 2022 has paid Rs. 1 million as part of full and final settlement and has written off balance amount outstanding from Sirena. Further, SLPL ceases to be an associate company w.e.f June 3, 2022.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 42 : RATIOS AS REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

##### A. Computation of ratios:

Particulars	Numerator	Denominator	Year ended 31 March 2024	Year ended 31 March 2023	% variance
					31 March 2024 vs 31 March 2023
(i) Current ratio (in times)	Current assets	Current liabilities	1.71	1.54	10.64%
(ii)(a) Debt-equity ratio (in times) (CCPS treated as financial liability)	Total Debt	Shareholder's Equity	1.82	2.41	-24.30%
(ii)(b) Debt-equity ratio (in times) (CCPS treated as Equity)	Total Debt	Shareholder's Equity	0.37	0.72	-49.38%
(iii) Debt service coverage ratio (in times)	Earnings available for debt service	Debt Service	0.08	0.04	114.16%
(iv)(a) Return on equity ratio (in %) (CCPS treated as financial liability)	(loss) after taxes – Preference Dividend (if any)	Average Shareholder's Equity	-10.89%	-17.99%	-39.49%
(iv)(b) Return on equity ratio (in %) (CCPS treated as Equity)	(loss) after taxes – Preference Dividend (if any)	Average Shareholder's Equity	-5.38%	-12.43%	-56.69%
(v) Inventory turnover ratio (in times)	Cost of goods sold	Average Inventory	5.15	4.97	3.62%
(vi) Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade receivables	14.81	11.01	34.58%
(vii) Trade payables turnover ratio (in times)	Purchase of stock-in-trade + Other expenses	Average Trade payables	11.97	12.73	-5.99%
(viii) Net capital turnover ratio (in times)	Revenue from operations	Working Capital	6.19	5.59	10.84%
(ix) Net profit ratio (in %)	(loss) for the year (after tax)	Revenue from operations	-1.73%	-3.10%	-44.32%
(x) Return on capital employed (in %)	(loss) before interest and taxes	Capital Employed	-0.60%	-3.57%	-83.27%
(xi) Return on investment (in %)	Interest income from bank	Fixed deposits	6.21%	5.24%	18.55%

##### Definitions:

- (a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (b) Debt service = Interest & Lease Payments + Principal Repayments
- (c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- (d) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- (e) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2
- (f) Working capital = Current assets - Current liabilities.
- (g) Earning before interest and taxes = Profit before tax + Interest expense
- (h) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
- (i) Total Debt - Total debt is calculated including the financial liability in relation to CCPS issued during the year which is classified as financial liability as per Ind AS.

##### B. Explanation for change in the ratio by more than 25%:

Particulars	% variance
	31 March 2024 vs 31 March 2023
(i) Debt service coverage ratio	Increase is mainly on account of reduced losses and decrease in borrowings at overall level
(ii) Return on Equity Ratio	Increase is mainly on account of reduced losses and decrease in borrowings at overall level
(iii) Trade receivables turnover ratio (in times)	Increase is mainly on account of reduction in overall trade receivables as compared to previous year
(iv) Net profit ratio	Improvement is mainly on account of reduction in losses as compared to previous year
(v) Return on capital employed	Improvement is mainly on account of reduction in losses as compared to previous year

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

#### NOTE 43 : DISCLOSURES PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013

- (i) Refer to note 6 for details of investment in subsidiary and associate companies.
- (ii) The Company has not given any loan or guarantee or provided any security during the year as covered under Section 186 of the Companies Act, 2013. Accordingly, the disclosure requirements to that extent does not apply to the Company.

#### NOTE 44 : DISCLOSURE OF STRUCK OFF COMPANIES

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**NOTE 45 :** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses except for Series C CCPS issued in the previous year. Refer note 18(viii).

#### NOTE 46 : SUBSEQUENT EVENTS

There are no subsequent events after the balance sheet date till the date of signing of financial statements which may require adjustments.

**NOTE 47 :** No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency  
(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

**NOTE 48 :** Other than disclosed below, No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

#### Investments made in the equity share capital of Intermediary, during the year:

Name of the Intermediary	Relationship with the Company	Nature of Investment	Date	Amount
Imagine Marketing Singapore Pte Limited	Wholly Owned Subsidiary	3,000,000 Equity shares of Imagine Marketing Singapore Pte Ltd having face value USD 1 (at Rs. 82.75/ USD) each, fully paid up	14-04-2023 23-02-2024	248.26

#### Investments made by Imagine Marketing Singapore Pte Ltd, as intermediary, during the year:

Investee Company	Relationship with the Company	Nature of Investment	Date	Amount
Kaha Pte Ltd	Wholly Owned Subsidiary	2,796,440 Equity shares of Kaha Pte Ltd (Subsidiary Company) having face value of USD 1 each, fully paid	14-04-2023 23-02-2024	231.41

#### Investments made in the equity share capital of Intermediary, during the previous year:

Name of the Intermediary	Company	Nature of Investment	Date	Amount
Imagine Marketing Singapore Pte Limited	Wholly Owned Subsidiary	5,400,000 Equity shares of Imagine Marketing Singapore Pte Ltd having face value USD 1 (at Rs.	18-Feb-23	445.74

#### Investments made by Imagine Marketing Singapore Pte Ltd, as intermediary, during the previous year:

Investee Company	Relationship with the Company	Nature of Investment	Date	Amount
Kaha Pte Ltd	Wholly Owned Subsidiary	5,655,533 Equity shares of Kaha Pte Ltd (Subsidiary Company) having face value of USD 1 each, fully	21-Feb-23	466.81

The above investment is in compliance with the relevant provisions of the Companies Act, 2013 and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)

The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

### Notes to the Standalone Financial Statements for the year ended 31 March 2024

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

**NOTE 49 :** Information with regards to other matters in the Companies Act are either Nil or Not applicable to the Company.

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As per our report of even date attached

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

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

**Amar Sunder**  
Partner  
Membership No: 078305

**Sameer Mehta**  
Director and CEO  
DIN: 02945481  
Place: Mumbai

**Aman Gupta**  
Director  
DIN: 02249682  
Place: Delhi

**Rakesh Thakur**  
Chief Financial Officer  
Place: Mumbai

**Shreekant Sawant**  
Company Secretary  
(A-30705)  
Place: Mumbai

Mumbai, August 13, 2024

August 13, 2024

## Independent Auditor's Report

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

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

#### Opinion

We have audited the consolidated financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint venture, which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associate and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at 31 March 2024, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, its associate and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Other Information

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

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

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

Registered Office:

## Independent Auditor's Report (Continued)

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

this regard.

#### Management's and Board of Directors Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Companies included in the Group and of its associate and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and the respective Board of Directors of its associate and joint venture are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

## Independent Auditor's Report (Continued)

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

estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associate and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

#### Other Matters

- a. We did not audit the financial statements of four subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 3,342.78 million as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 663.89 million and net cash outflows (before consolidation adjustments) amounting to Rs. 9.56 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs. 19.91 million for the year ended 31 March 2024, in respect of one associate and one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associate is based solely on the reports of the other auditors.
- b. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



**Independent Auditor's Report (Continued)****Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited)****Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associate and joint ventures as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2024 and 04 April 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and joint venture company incorporated in India, none of the directors of the Group companies, its associate company and joint venture company incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above above on reporting under Section 143(3)(b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, associate company and joint venture company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statement of the subsidiaries, associate and joint venture, as noted in the "Other Matters" paragraph:
  - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group, its associate and joint venture. Refer Note 33 to the consolidated financial statements.
  - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 46 to the consolidated financial statements in respect of such

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

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

items as it relates to the Group, its associate and joint venture.

- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate company and joint venture company incorporated in India during the year ended 31 March 2024.
- d (i) The respective management of the Holding Company and its subsidiary companies, associate company and joint venture company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies, associate company and joint venture company respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 49 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies, associate company and joint venture company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies, associate company and joint venture company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective management of the Holding Company and its subsidiary companies, associate company and joint venture company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies, associate company and joint venture company respectively that, to the best of their knowledge and belief, as disclosed in the Note 49 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies, associate company and joint venture company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies, associate company and joint venture company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies, associate company and joint venture company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Holding Company and its subsidiary companies, associate company and joint venture company incorporated in India has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks and that performed by the respective auditors of the subsidiary companies, associate company and joint venture company incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies, associate company and joint venture company have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, except for the instances mentioned below, we and respective auditors of such subsidiary companies, associate company and joint venture company did not come across any instance of audit trail feature being tampered with.

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

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

<p>Instances of accounting software for maintaining its books of account which did not had a feature of recording audit trail (edit log) facility and the same was not operated throughout the year for all relevant transactions recorded in the software</p>	<p>a) In respect of the Holding Company, the Company has used accounting softwares for maintaining its books of account relating to general ledger, inventory and customer order and billing management, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except that the feature of recording audit trail (edit log) facility was not enabled at the database level for the accounting softwares related to general ledger and inventory to log any direct data changes. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.</p> <p>b) In respect of two subsidiary companies, the Companies have used an accounting software for maintaining its books of account which does not have the feature of recording audit trail (edit log) facility. Consequently, we are unable to comment on audit trail feature of the said software.</p> <p>c) In respect of one associate, the company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility except in the period beginning from 1 April 2023 to 11 May 2023 wherein the feature of recording audit trail (edit log) facility was not enabled. Further, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software except for the instances reported above.</p>
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In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to its directors in excess of the limit laid down under Section 197 of the Act has been approved by the shareholders of the Holding Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us. Further, based on the reports of the statutory auditors of such subsidiary companies and associate company incorporated in India which were not audited by us, the remuneration paid during the current year by its subsidiary companies and associate company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by its subsidiary companies and associate company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us. Further, based on the reports of the statutory auditors of joint venture company incorporated in India which was not audited by us, the Company being a private

B S R & Co. LLP

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

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

company, Section 197 of the Act related to the managerial remuneration is not applicable.

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

*Chartered Accountants*

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

**Amar Sunder**

*Partner*

Place: Mumbai

Membership No.: 078305

Date: 13 August 2024

ICAI UDIN:24078305BKAVFB4580

**Annexure A to the Independent Auditor’s Report on the Consolidated Financial Statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2024**

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks given by the respective auditors in their reports under the Companies (Auditor’s Report) Order, 2020 (CARO):

<b>Sr. No.</b>	<b>Name of the entities</b>	<b>CIN</b>	<b>Holding Company/Su bsidiary/ JV/ Associate</b>	<b>Clause number of the CARO report which is unfavourable</b>
1	Imagine Marketing Limited	U52300MH2013PL C249758	Holding Company	3(ii)(b) 3(vii)(b) 3(xvii)
2	Dive Marketing Private Limited	U52520MH2021PT C361514	Subsidiary	3(ix)(d) 3(xix)
3	HOB Ventures Private Limited	U24290MH2021PT C374154	Subsidiary	3(xvii) 3(xix)
4	Kimirica Lifestyle Private Limited	U24246MP2022PT C059090	Associate	3(xvii)
5	Califonix Tech and Manufacturing Private Limited	U31904UP2022PT C163119	Joint Venture	3(xvii)

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

*Chartered Accountants*

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

**Amar Sunder**

*Partner*

Place: Mumbai

Membership No.: 078305

Date: 13 August 2024

ICAI UDIN:24078305BKAVFB4580

**Annexure B to the Independent Auditor's Report on the consolidated financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2024**

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

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

**Opinion**

In conjunction with our audit of the consolidated financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, its associate company and joint venture company, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, associate company and joint venture as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate company and joint venture company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

**Auditor's Responsibility**

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

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

## **Annexure B to the Independent Auditor's Report on the consolidated financial statements of Imagine Marketing Limited (formerly known as Imagine Marketing Private Limited) for the year ended 31 March 2024 (Continued)**

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, associate company and joint venture in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

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

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

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

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

### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, one associate company and one joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of above matters.

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

*Chartered Accountants*

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

**Amar Sunder**

*Partner*

Place: Mumbai

Membership No.: 078305

Date: 13 August 2024

ICAI UDIN:24078305BKAVFB4580

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

## Consolidated Balance Sheet As at 31 March 2024

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

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	219.18	216.26
Right-of-use assets	4	280.41	186.62
Goodwill	5(A)	1,783.84	1,783.84
Other Intangible assets	5(A)	1,318.12	1,339.26
Intangible assets under development	5(B)	-	82.51
Investments accounted for using the equity method	6	480.20	295.29
Financial assets			
Other Investments	7	-	8.14
Other financial assets	8	42.37	266.31
Other tax assets (net)	9	220.11	179.70
Deferred tax assets (net)	9	553.91	382.47
Other non-current assets	10	3.40	2.69
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,901.54</b>	<b>4,743.09</b>
<b>CURRENT ASSETS</b>			
Inventories	11	4,310.06	4,701.75
Financial assets			
Trade receivables	12	1,507.96	2,758.06
Cash and cash equivalents	13	604.45	1,474.03
Bank balance other than cash and cash equivalents	14	1,935.00	1,930.40
Loans	15	0.04	0.45
Other financial assets	8	164.06	116.77
Other current assets	10	3,632.16	5,799.58
<b>TOTAL CURRENT ASSETS</b>		<b>12,153.73</b>	<b>16,781.01</b>
<b>TOTAL ASSETS</b>		<b>17,055.27</b>	<b>21,524.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	16	96.15	96.10
Instruments entirely equity in nature	16	108.71	108.71
Other equity	17	3,868.02	4,486.83
<b>TOTAL EQUITY</b>		<b>4,072.88</b>	<b>4,691.64</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	18	5,039.95	5,031.23
Lease liabilities	19	197.48	118.17
Other financial liabilities	22	-	233.79
Provisions	20	22.53	21.03
Deferred tax liabilities (net)	9	166.89	166.89
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,426.85</b>	<b>5,571.10</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	18	3,561.92	7,329.86
Lease liabilities	19	82.93	70.32
Trade payables			
Total outstanding dues of micro enterprise and small enterprises	21	91.08	29.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	2,109.57	2,566.18
Other financial liabilities	22	489.77	455.46
Other current liabilities	23	101.17	151.27
Provisions	20	1,119.10	658.92
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,555.54</b>	<b>11,261.36</b>
<b>TOTAL LIABILITIES</b>		<b>12,982.39</b>	<b>16,832.46</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,055.27</b>	<b>21,524.10</b>

Basis of preparation, measurement and material accounting policies

2

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

As per our report of even date attached

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

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

**Amar Sunder**  
Partner  
Membership No: 078305

**Sameer Mehta**  
Director & CEO  
DIN: 02945481  
Place: Mumbai

**Aman Gupta**  
Director  
DIN: 02249682  
Place: Delhi

**Rakesh Thakur**  
Chief Financial Officer  
Place: Mumbai

**Shreekant Sawant**  
Company Secretary  
(A-30705)  
Place: Mumbai

Mumbai, August 13, 2024

Mumbai, August 13, 2024



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

### Consolidated Statement of Profit and Loss For the year ended 31 March 2024

Particulars	Notes	(All amounts are in Rs. million, unless otherwise stated)	
		Year ended 31 March 2024	Year ended 31 March 2023
<b>INCOME</b>			
Revenue from operations	24	31,176.74	33,767.90
Other income	25	176.72	263.94
<b>TOTAL INCOME</b>		<b>31,353.46</b>	<b>34,031.84</b>
<b>EXPENSES</b>			
Purchases of stock-in-trade	26	22,711.25	25,268.96
Changes in inventories of stock-in-trade	27	391.69	836.80
Employee benefits expense	28	1,305.19	994.17
Finance costs	29	683.69	783.58
Depreciation and amortisation expense	30	355.86	255.95
Other expenses	31	6,888.22	7,481.28
<b>TOTAL EXPENSES</b>		<b>32,335.90</b>	<b>35,620.74</b>
<b>(Loss) before share of losses of equity accounted investee and tax</b>		<b>(982.44)</b>	<b>(1,588.90)</b>
<b>Share of profit/(loss) of equity accounted investee (net of tax)</b>		19.91	(48.22)
<b>(Loss) before tax</b>		<b>(962.53)</b>	<b>(1,637.12)</b>
<b>Tax expense</b>	9		
Current tax		6.48	6.17
Tax related to Earlier Years		0.36	0.23
Deferred tax		(172.53)	(348.98)
<b>Total tax expense</b>		<b>(165.69)</b>	<b>(342.58)</b>
<b>(LOSS) FOR THE YEAR (A)</b>		<b>(796.84)</b>	<b>(1,294.54)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of the net defined benefit plans		4.32	0.16
Income tax relating to these items		(1.09)	(0.04)
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences in translating financial statements of foreign operations		(56.20)	72.83
<b>OTHER COMPREHENSIVE LOSS/INCOME FOR THE YEAR, NET OF TAX (B)</b>		<b>(52.97)</b>	<b>72.95</b>
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR (A+B)</b>		<b>(849.81)</b>	<b>(1,221.59)</b>
<b>(Loss) for the year attributable to:</b>			
Owners of the Company		(796.84)	(1,294.54)
Non-controlling interests		-	-
<b>(Loss) for the year</b>		<b>(796.84)</b>	<b>(1,294.54)</b>
<b>Other comprehensive income/loss for the year attributable to:</b>			
Owners of the Company		(52.97)	72.95
Non-controlling interests		-	-
<b>Other comprehensive income/loss for the year, net of tax</b>		<b>(52.97)</b>	<b>72.95</b>
<b>Total comprehensive (loss) for the year attributable to:</b>			
Owners of the Company		(849.81)	(1,221.59)
Non-controlling interests		-	-
<b>Total comprehensive (loss) for the year</b>		<b>(849.81)</b>	<b>(1,221.59)</b>
<b>(Loss) per equity share (face value of Re. 1 each)</b>			
Basic (Rs.)	32	(8.24)	(13.40)
Diluted (Rs.) (restricted to Basic EPS)	32	(8.24)	(13.40)
<b>Basis of preparation, measurement and material accounting policies</b>	2		

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

As per our report of even date attached

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

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

**Amar Sunder**  
Partner  
Membership No: 078305

**Sameer Mehta**  
Director & CEO  
DIN: 02945481  
Place: Mumbai

**Aman Gupta**  
Director  
DIN: 02249682  
Place: Delhi

**Rakesh Thakur**  
Chief Financial Officer  
Place: Mumbai

**Shreekant Sawant**  
Company Secretary  
(A-30705)  
Place: Mumbai

Mumbai, August 13, 2024

Mumbai, August 13, 2024

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

### Consolidated Statement of Changes in Equity for the year ended 31 March 2024

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

#### A. EQUITY SHARE CAPITAL

Particulars	Number of Shares	Amount
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
Equity Shares of ₹ 1/- each fully paid up		
<b>Balance at 31 March 2022</b>	<b>9,60,30,300</b>	<b>96.04</b>
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year	66,000	0.06
<b>Balance at 31 March 2023</b>	<b>9,60,96,300</b>	<b>96.10</b>
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year	50,000	0.05
<b>Balance at 31 March 2024</b>	<b>9,61,46,300</b>	<b>96.15</b>

#### B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	Series A CCPS *		Series B CCPS **	
	Number of Shares	Amount #	Number of Shares	Amount ##
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
<b>Balance at 31 March 2022</b>	<b>5,10,000</b>	<b>5.10</b>	<b>17,269</b>	<b>103.61</b>
Changes in preference share capital during the year	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>5,10,000</b>	<b>5.10</b>	<b>17,269</b>	<b>103.61</b>
Changes in preference share capital during the year	-	-	-	-
<b>Balance at 31 March 2024</b>	<b>5,10,000</b>	<b>5.10</b>	<b>17,269</b>	<b>103.61</b>

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

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

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

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

#### C. OTHER EQUITY

Particulars	Reserves and Surplus					
	Securities Premium	General Reserve	Share Options Outstanding Account	Foreign Currency Translation Reserve	Retained Earnings	Total Other Equity
<b>Balance at 31 March 2022</b>	<b>3,704.85</b>	<b>11.25</b>	<b>162.00</b>	<b>20.39</b>	<b>1,916.15</b>	<b>5,814.64</b>
Loss for the year	-	-	-	-	(1,294.54)	(1,294.54)
Other comprehensive loss for the year	-	-	-	(72.83)	0.12	(72.71)
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(72.83)</b>	<b>(1,294.42)</b>	<b>(1,367.25)</b>
Share-based payments to employees	-	-	36.22	-	-	36.22
Issue of equity shares on exercise of employee stock options	3.22	-	-	-	-	3.22
<b>Balance at 31 March 2023</b>	<b>3,708.07</b>	<b>11.25</b>	<b>198.22</b>	<b>(52.44)</b>	<b>621.73</b>	<b>4,486.83</b>
Loss for the year	-	-	-	-	(796.84)	(796.84)
Other comprehensive loss for the year	-	-	-	56.20	3.23	59.43
<b>Total comprehensive loss for the year</b>	-	-	-	<b>56.20</b>	<b>(793.61)</b>	<b>(737.41)</b>
Share-based payments to employees	-	-	111.56	-	-	111.56
Issue of equity shares on exercise of employee stock options	9.27	-	(2.23)	-	-	7.04
<b>Balance at 31 March 2024</b>	<b>3,717.34</b>	<b>11.25</b>	<b>307.55</b>	<b>3.75</b>	<b>(171.88)</b>	<b>3,868.02</b>

Refer note 17B for nature and purpose of reserves.

#### Basis of preparation, measurement and material accounting policies (refer note 2)

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

As per our report of even date attached

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

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

**Amar Sunder**  
Partner  
Membership No: 078305

**Sameer Mehta**  
Director & CEO  
DIN: 02945481  
Place: Mumbai

**Aman Gupta**  
Director  
DIN: 02249682  
Place: Delhi

**Rakesh Thakur**  
Chief Financial Officer  
Place: Mumbai

**Shreekant Sawant**  
Company Secretary  
(A-30705)  
Place: Mumbai

Mumbai, August 13, 2024

Mumbai, August 13, 2024

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

### Consolidated Statement of Cash Flows For the year ended 31 March 2024

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) before tax	(962.53)	(1,637.12)
<i>Adjustments for:</i>		
Share of net (profit)/loss of equity accounted investees	(19.91)	48.22
Depreciation and amortisation expense	355.86	255.95
Share based payment expense	111.56	36.22
Interest on fixed deposits	(137.26)	(172.96)
Interest income others	(2.40)	(1.09)
Fair valuation (gain) from investments designated at FVTPL	(0.15)	(0.82)
Provisions no longer required, written back	-	(0.24)
Gain on derecognition of leases	(2.28)	-
Fair value loss on account of changes in financial liabilities	8.72	31.23
Finance cost	683.69	783.58
Provision for loss allowance for trade receivables	(62.23)	252.78
Provision for doubtful advances	104.26	-
Provision for slow and non moving inventory	758.33	330.80
Loss on Sale/Disposal of tangible and intangible assets	1.07	5.16
Unrealised foreign exchange loss	0.43	13.30
<b>Operating Profit/(Loss) before working capital changes</b>	<b>837.16</b>	<b>(54.99)</b>
<i>Adjustments for :</i>		
Decrease/(Increase) in inventories	(366.64)	506.00
Decrease/(Increase) in trade receivables	1,312.34	220.32
Decrease/(Increase) in loans	0.41	6.76
Decrease/(Increase) in other financial assets	105.52	2,201.26
Decrease/(Increase) in other current and non-current assets	2,062.45	(3,127.70)
Increase/(Decrease) in trade payables	(395.30)	394.79
Increase/(Decrease) in other financial liabilities	(215.11)	(409.10)
Increase/(Decrease) in other current liabilities	(50.11)	105.82
Increase/(Decrease) in current and non-current provisions	466.01	(386.72)
<b>Cash generated from/(used in) operations</b>	<b>3,756.73</b>	<b>(543.56)</b>
Taxes paid (net of refunds)	(47.25)	(98.23)
<b>Net Cash flows generated from/(used in) operating activities (A)</b>	<b>3,709.48</b>	<b>(641.79)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment made in equity shares of joint venture	(165.00)	(50.50)
Redemption of Mutual Funds	8.29	19.66
Purchase of property, plant and equipment	(199.67)	(233.00)
Sale of tangible assets	78.87	-
Purchase of intangible assets	(165.36)	(359.49)
Intangible assets under development	82.51	62.47
Movement in fixed deposit (net)	(4.60)	(354.56)
Interest on fixed deposits	215.32	164.58
<b>Net cash flow (used in) investing activities (B)</b>	<b>(149.64)</b>	<b>(750.84)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares, including securities premium	7.09	3.28
Proceeds from issue of preference shares classified as financial liability	-	5,000.00
(Repayment) from short-term borrowings (net)	(3,767.94)	(1,881.46)
Principal repayment of lease liabilities	(87.74)	(66.90)
Interest repayment of lease liabilities	(24.66)	-
Interest and other borrowing costs paid	(612.39)	(719.21)
<b>Net cash flow generated from/(used in) financing activities (C)</b>	<b>(4,485.64)</b>	<b>2,335.71</b>

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

### Consolidated Statement of Cash Flows For the year ended 31 March 2024

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Effect of exchange differences on translation of foreign currency	56.20	(72.83)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(869.60)</b>	<b>870.25</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,474.03</b>	<b>603.77</b>
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>604.45</b>	<b>1,474.03</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	0.86	0.80
Balance with banks		
In current accounts	463.59	317.22
In deposits with original maturity of less than 3 months	140.00	1,156.01
<b>Total cash and cash equivalents (refer note 13)</b>	<b>604.45</b>	<b>1,474.03</b>

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

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

	Opening balance 1 April 2023	Cash flows	Non- cash movement	Closing balance 31 March 2024
Loan repayable on demand	7,329.86	(3,767.94)	-	3,561.92
Interest on borrowings	6.88	(612.39)	605.51	-
Leases	188.49	(87.74)	179.66	280.41
Proceeds from issue of equity capital	99.32	7.09	-	106.41
Proceeds from issue of preference shares classified as financial liability	5,031.23	-	8.72	5,039.95
<b>Total liabilities from financing activities</b>	<b>12,655.78</b>	<b>(4,460.99)</b>	<b>793.89</b>	<b>8,988.69</b>

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

	Opening balance 1 April 2022	Cash flows	Non- cash movement	Closing balance 31 March 2023
Loan repayable on demand	9,211.32	(1,881.46)	-	7,329.86
Interest on borrowings	3.12	(719.21)	722.98	6.88
Leases	140.13	(66.90)	115.26	188.49
Proceeds from issue of equity capital	96.04	3.28	-	99.32
Proceeds from issue of preference shares classified as financial liability	-	5,000.00	31.23	5,031.23
<b>Total liabilities from financing activities</b>	<b>9,450.61</b>	<b>2,335.71</b>	<b>869.47</b>	<b>12,655.78</b>

Non-cash movement represents:

- With respect to leases, accrual of interest on lease liabilities.
- With respect to preference shares, fair value loss on account of fair valuation of financial liability.
- With respect to interest on borrowings, non cash movement is on account of charge in the current year to the statement of profit and loss.

The accompanying notes 3 to 51 are an integral part of these Consolidated Financial Statements.  
As per our report of even date attached

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

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

**Amar Sunder**  
Partner  
Membership No: 078305

**Sameer Mehta**  
Director & CEO  
DIN: 02945481  
Place: Mumbai

**Aman Gupta**  
Director  
DIN: 02249682  
Place: Delhi

Mumbai, August 13, 2024

**Rakesh Thakur**  
Chief Financial Officer  
Place: Mumbai

Mumbai, August 13, 2024

**Shreekant Sawant**  
Company Secretary  
(A-30705)  
Place: Mumbai

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 1 GROUP INFORMATION

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

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

The Holding Company and its subsidiary (hereinafter jointly referred to as the 'Group') together with the Group's interest in the associate and joint venture considered in these Consolidated financial statements are:

##### a) Subsidiary

Name of the company	Country of incorporation	Principal activities	Proportion (%) of equity interest	
			As at 31 March 2024	As at 31 March 2023
Dive Marketing Private Limited *	India	Sub-license of brand	100%	100%
HOB Ventures Private Limited @	India	House the Brands and provide advisory service to FMCG	100%	100%
Imagine Marketing Singapore Pte Ltd #	Singapore	Investment and Trading Company	100%	100%
Kaha Technologies Private Limited \$	India	Software Development, Consultancy and Implementation	100%	100%

\* New subsidiary incorporated with effect from 3 June 2021.

@ New subsidiary incorporated with effect from 31 December 2021.

# New subsidiary incorporated with effect from 29 November 2021.

\$ Holding Company acquired the entity on 2 February 2022.

##### b) Step Down Subsidiary

Name of the company	Country of incorporation	Principal activities	Proportion (%) of equity interest	
			As at 31 March 2024	As at 31 March 2023
Kaha Pte Ltd ^ (Holding Company Imagine Marketing Singapore Pte Ltd)	Singapore	Develop, design and trading in electronic product	100%	100%
Kaha Technology (ShenZhen) Co. Limited (Holding Company Kaha Pte Ltd)	China	Trading in electronic product	100%	100%

^ Imagine Marketing Singapore Pte Limited, subsidiary of Holding Company, acquired the entity on 10 February 2022.

##### b) Associate and Joint Venture

Indian Accounting Standard (Ind AS) 28 on Investments in Associates and Joint Ventures defines Associate as an entity over which the investor has significant influence. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. It mentions that if an entity holds, directly or indirectly through intermediaries, 20 per cent or more of the voting power of the enterprise, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

The Group holds investments in the below entities which by share ownership are deemed to be an associate company:

Name of the company	Country of incorporation	Principal activities	Proportion (%) of equity interest	
			As at 31 March 2024	As at 31 March 2023
Kimirica Lifestyle Private Limited #	India	Manufacturing & Selling of Personal & beauty care products	33.33%	33.33%
Califonix Tech and Manufacturing Private Limited \$	India	Manufacturing of Audio products	50.00%	50.00%

# Shares held by HOB ventures Private Limited subsidiary of Holding Company with effect from 23 February 2022.

\$ Joint Venture with effect from 27 April 2022.

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

##### 2.1 Basis of preparation and measurement

###### A. Statement of Compliance

The Consolidated Financial Statements of the Group comprise of Consolidated Balance Sheet as at 31 March 2024, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended 31 March 2024 (hereinafter collectively referred to as "Consolidated Financial Statements").

These Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended from time to time.

These Consolidated Financial Statements were approved for issue by the Board of Directors of the Holding Company in their meeting held on 13 August 2024.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

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

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

###### B. Basis of preparation

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

###### C. Basis of measurement

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

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

###### D. Functional currency and presentation

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

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

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

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

###### Estimation uncertainties:

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

- Note 2.3 (e) - Impairment test of non-financial assets and financials assets
- Note 2.3 (j) - Measurement of defined benefit obligations: key actuarial assumptions and employee share based payments
- Note 2.3 (m) - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 2.3 (n) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources including provisions for sales return and discounts
- Note 2.3 (f) and 2.3 (o) - Provision for obsolete inventory and provision for warranties
- Note 2.3 (d) - Useful life of intangible assets
- Note 2.3 (c) - Useful life property, plant and equipment
- Note 2.3 (g) - Fair valuation of financial liabilities

###### Judgements

- Note 2.2 (l) - Determining whether the arrangement contains a lease

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

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

An asset is treated as current when it is:

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

A liability is treated as current when:

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

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

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

###### G. Fair value measurement

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

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

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

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

#### 2.2 Principles of consolidation

##### A. Subsidiaries

The Consolidated financial statements comprise the financial statements of the Group and its associate and joint venture as at 31 March 2024 and 31 March 2023. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's accounting policies. The Holding Company has evaluated the accounting policies of foreign subsidiaries at the time of consolidation and GAAP differences, if any, were appropriately considered in the consolidated financial statements.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company i.e. for the years ended 31 March 2024 and 31 March 2023. When the end of the reporting year of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the Consolidated financial statements of the Holding Company to enable the Holding Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

###### Consolidation procedure:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### B. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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

### 2.2 Principles of consolidation (continued)

#### C. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity. The share of non-controlling interest is restricted to the extent of contractual obligation of the Group.

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the Consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest in joint venture or financial asset.

#### D. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

#### E. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in an associate and joint venture.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint venture are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the Consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### F. Goodwill

a. Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

b. Goodwill arising from the acquisition of associates and joint ventures is included in the carrying value of the investment in associates and joint ventures.

c. Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Consolidated Statement of Profit and Loss if any.

d. Goodwill on acquisition of the foreign subsidiaries is restated at the rate prevailing at the end of the year.

### 2.3 Summary of material accounting policies

#### (a) Revenue Recognition

Revenue from sale of goods is recognised when control of the goods is transferred to our customer and it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

##### Sale of products

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

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

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts & schemes offered by the Holding Company as part of the contract. Accumulated expenses is used to estimate the provision for discount

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

One of the Company in the Group derives income from carrying out business activities relating to software development, consultancy and implementation. The subsidiary has executed a Master Service Agreement (MSA) with Kaha Pte Limited, Singapore for development of Software whereby all resource costs, operational expenses and other miscellaneous costs incurred by the subsidiary shall be chargeable to the client at cost plus mark up as per the terms and conditions specified in the MSA. The performance obligations are met on a daily/weekly basis as the work carried out by the company is in close interaction and supervision with the client and the transfer of control over the property is in conjunction with the performance obligation.

##### License fees

License fees have been charged together with the electronic products. License fees are recognised when the developed products delivered and accepted by the customer, which control has been passed.

##### Recognition of Royalty Revenue

The Group recognizes revenue as a percentage of sales made by the licensee.

MEIS (Merchandise Exports from India Scheme) Income: The Holding Company records MEIS income as and when the scrips are utilised. The Holding Company follows point in time approach for recording of MEIS income.

High seas sales: The Group records high seas sales of raw materials as and when the ownership of goods is transferred to the manufacturers with no control over the goods. The said sales are netted off from purchases since the cost of finished goods purchased from those manufacturers are inclusive of the cost of raw materials sold in High Sea Sales.

##### Variable consideration

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

##### Right of return

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

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

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

##### 2.3 Summary of material accounting policies (continued)

###### (a) Revenue Recognition (continued)

###### Contract balances

Contract assets: The Group classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon the passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current asset. Trade receivables and unbilled revenue is presented net of impairment.

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

Trade receivables: A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets for guidance on recognition and measurement. The credit period offered to customers generally ranges from 0 to 60 days.

###### (b) Recognition of dividend income, interest income or expense

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

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

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

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

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

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

###### Recognition and measurement

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

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

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

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

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

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

###### Depreciation and useful lives - Indian Entities

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on Property, Plant and Equipment is calculated on the depreciable amount using the straight line method (SLM) using the rates arrived at based on the useful lives estimated by the management as prescribed in Schedule II of the Companies Act, 2013 except for Plant and Equipment where the management has derived useful life based on the technical evaluation. Depreciation is generally recognized in the statement of profit and loss.

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

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of). An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Based on the technical evaluation and consequent assessment, the management believes that its estimate of useful life as given above best represents the period over which the management expects to use these assets. Estimates in respect of method of depreciation were revised from written down value method to straight line method during the year ended March 31, 2023.

###### Depreciation and useful lives - International Entities

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in profit or loss and calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives of each component of an item of plant and equipment. The estimated useful lives for the current and comparative years are as follows:

Tangible Asset	Useful Life
Furniture and fixtures	3 years
Office equipment	1 years
Computers	1 years
Renovation	5 years

###### Derecognition

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



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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

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

##### 2.3 Summary of material accounting policies (continued)

###### (d) Intangible assets

###### Recognition and measurement

Intangible assets comprise primarily of brands, software, patents and trademarks. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost can be measured reliably. All other expenditure are recognised in the statement of profit and loss as incurred. On adoption of Ind AS, the Group retained the carrying value for all of its intangible assets as recognised in the standalone financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards.

###### Amortisation

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

Intangible Asset	Useful Life
Brands	10 years
Computer Software	3 to 5 years
Patents and Trademarks	4 to 10 years

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

###### Derecognition

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

###### (e) Impairment

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

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

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

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

###### (ii) Financial assets

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

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

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

- the counter party is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset in respect of trade receivables is 365 days or more past due and for trade receivables less than 365 days, the Group identifies on case to case basis whether there is a risk of default.

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

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

###### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor; □
- a breach of contract such as a default or being more than 365 days past due; □
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; □
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or □
- the disappearance of an active market for security because of financial difficulties.

###### (f) Inventories

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

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

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

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

##### 2.3 Summary of material accounting policies (continued)

###### (g) Financial Instruments

###### Financial Assets

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

All financial assets and liabilities are initially recognized when the Group becomes a party to contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction cost that are directly attributable to its acquisition or issue. However trade receivable that do not contain significant financing component are recognised at transaction price.

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

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

- Amortised cost
- Fair value through other comprehensive income (FVOCI) - debt instruments;
- Fair value through other comprehensive income (FVOCI) - equity investments; or
- Fair value through profit and loss (FVTPL).

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

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

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

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

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

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

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

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

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

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

##### 2.3 Summary of material accounting policies (continued)

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

###### Financial Assets (continued)

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

###### Financial assets at FVTPL:

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

###### Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

###### Debt investments at FVTOCI:

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

###### Equity investments at FVTOCI:

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

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

A financial asset is derecognized only when:

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

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

###### Investment in Associates and Joint Ventures

The investments in associates and joint ventures are carried in the financial statements at historical cost except when the investment, or a portion thereof, is classified as held for sale, in which case measured at lower of carrying amount and fair value less costs to sell. When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in any subsidiary or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met. Any retained portion of an investment in a subsidiary or a joint venture that has not been classified as held for sale continues to be accounted for at historical cost. Investments in subsidiaries and joint ventures carried at cost are tested for impairment in accordance with Ind AS 36 Impairment of Assets. The carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount, any impairment loss recognised reduces the carrying amount of the investment.

###### Financial liability

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

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

###### ii) Subsequent measurement

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

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to Standalone statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Standalone statement of profit or loss. The Group has not designated any financial liability as at fair value through profit or loss other than series C CCPS which is classified as financial liability designated as FVTPL (Refer note 18).

###### Amortised cost

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

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

###### Derecognition

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

###### Offsetting

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

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

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

##### 2.3 Summary of material accounting policies (continued)

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

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

###### Statement of Cash Flows

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

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

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

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

###### Translation of financial statements of foreign operations

Assets and liabilities of foreign entities are translated into Indian Rupees on the basis of the closing exchange rates as at the end of the year. Income and expenditure and cash flow are generally translated using average exchange rates for the period unless those rates do not approximate the actual exchange rates at the dates of specific transactions, in which case the exchange rates as at the dates of transaction are used. All resulting exchange differences are recognised in Other Comprehensive Income. On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to the Consolidated Statement of Profit and Loss, as a part of gain or loss on sale.

###### (j) Employee Benefits

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

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

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

The Group's gratuity plan is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

All remeasurement gains and losses arising from defined benefit plans are recognised in the Consolidated statement of other comprehensive income in the period in which they occur and not reclassified to the Consolidated statement of profit and loss in the subsequent period. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense related to defined benefit plans are recognised under "Finance costs" in the Consolidated statement of profit and loss.

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

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

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

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

In one of the Subsidiary Company, employee entitled annual leave are recognized when they accrue to the employees. A provision is made for the estimated undiscounted liability for annual leave expected to be settled wholly within 1 months after the end of reporting period as a results of services rendered by employees up to the end of the reporting period.

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

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

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

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

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

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

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

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

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

##### 2.3 Summary of material accounting policies (continued)

###### (k) Borrowing Costs

Borrowing costs include:

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

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

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

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

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

###### (l) Leases

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

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

The group also applied the available practical expedients wherein it:

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

###### Right-of-use assets

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

###### Lease liability

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

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

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

The Group has applied the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets recognition exemption.

###### (m) Income Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

###### (i) Current tax

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

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

###### (ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

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

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

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

##### 2.3 Summary of material accounting policies (continued)

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

###### (i) General provision

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

###### (ii) Onerous contract

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

###### (iii) Contingent liabilities

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

###### (iv) Contingent assets

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

###### (o) Warranties

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

###### (p) Earnings per share

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

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

###### (q) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer who is designated the chief operating decision maker (CODM). The Group has identified reportable segments based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The CODM monitors the operating results of the entity at segment level for the purpose of making decisions about resource allocation and performance assessment. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

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

#### 2.4 Recent accounting developments and pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA did not notify any new standard or amendment to the existing standards applicable to the Group.

#### 2.5 Changes in material accounting policies.

The Group adopted Disclosure of Accounting Policies (Amendments to IND AS 1) from 1st April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statement.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 3 PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment	Furniture and fixtures	Office equipment	Computers	Total
<b>Gross block</b>					
<b>As at 31 March 2022</b>	<b>4.99</b>	<b>2.39</b>	<b>19.60</b>	<b>25.74</b>	<b>52.72</b>
Additions	191.40	5.13	17.19	23.74	237.46
Deletions	-	-	(0.63)	(0.33)	(0.96)
Foreign currency translation difference	-	0.92	2.08	7.39	10.39
<b>As at 31 March 2023</b>	<b>196.39</b>	<b>8.44</b>	<b>38.24</b>	<b>56.53</b>	<b>299.61</b>
Additions	121.56	8.86	9.53	13.19	153.14
Deletions	(78.91)	(3.78)	(5.91)	(3.19)	(91.79)
Foreign currency translation difference	-	0.03	(0.23)	-	(0.20)
<b>As at 31 March 2024</b>	<b>239.04</b>	<b>13.55</b>	<b>41.63</b>	<b>66.53</b>	<b>360.74</b>
<b>Accumulated depreciation</b>					
<b>As at 31 March 2022</b>	<b>2.95</b>	<b>0.83</b>	<b>8.80</b>	<b>11.89</b>	<b>24.47</b>
Depreciation for the year	30.06	0.43	5.53	13.09	49.11
Deletions	-	-	(0.14)	(0.51)	(0.65)
Foreign currency translation difference	-	0.91	2.09	7.41	10.41
<b>As at 31 March 2023</b>	<b>33.01</b>	<b>2.17</b>	<b>16.28</b>	<b>31.88</b>	<b>83.34</b>
Depreciation for the year	44.96	1.88	8.22	15.54	70.60
Deletions	(0.11)	(3.48)	(5.01)	(2.90)	(11.50)
Foreign currency translation difference	(0.35)	(0.11)	(0.15)	(0.25)	(0.86)
<b>As at 31 March 2024</b>	<b>77.51</b>	<b>0.46</b>	<b>19.34</b>	<b>44.27</b>	<b>141.58</b>
<b>Net Block</b>					
<b>As at 31 March 2023</b>	<b>163.38</b>	<b>6.27</b>	<b>21.96</b>	<b>24.65</b>	<b>216.26</b>
<b>As at 31 March 2024</b>	<b>161.53</b>	<b>13.09</b>	<b>22.29</b>	<b>22.27</b>	<b>219.18</b>

#### Notes:

- (i) The Group does not own any immovable property.
- (ii) The Group has not revalued its property, plant and equipment.
- (iii) For details of contractual commitment with respect to property, plant and equipment refer note 34.
- (iv) During the previous year, the Holding Company reviewed the depreciation method of property plant and equipment and changed the method of depreciation from written down value to straight line method as the same closely reflected the expected pattern of the consumption of the future economic benefits embodied in the asset. This has resulted decrease in depreciation for the year ended March 31, 2023 by Rs. 40.82 million.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 4 RIGHT-OF-USE ASSETS

	Buildings	Motor Vehicle	Total
<b>Gross block</b>			
<b>As at 31 March 2022</b>	<b>198.68</b>	-	<b>198.68</b>
Additions	125.50	4.81	<b>130.31</b>
Deletions	(29.17)	-	<b>(29.17)</b>
Foreign currency translation difference	0.40		<b>0.40</b>
<b>As at 31 March 2023</b>	<b>295.41</b>	<b>4.81</b>	<b>300.22</b>
Additions	199.58	<b>3.13</b>	<b>202.71</b>
Deletions	(41.97)		<b>(41.97)</b>
Foreign currency translation difference	(0.07)		<b>(0.07)</b>
<b>As at 31 March 2024</b>	<b>452.95</b>	<b>7.94</b>	<b>460.89</b>
<b>Accumulated depreciation</b>			
<b>As at 31 March 2022</b>	<b>64.07</b>	-	<b>64.07</b>
Depreciation for the year	65.97	0.20	<b>66.17</b>
Deletions	(16.45)	-	<b>(16.45)</b>
Foreign currency translation difference	(0.19)		<b>(0.19)</b>
<b>As at 31 March 2023</b>	<b>113.40</b>	<b>0.20</b>	<b>113.60</b>
Depreciation for the year	95.71	3.05	<b>98.76</b>
Deletions	(31.90)	-	<b>(31.90)</b>
Foreign currency translation difference	0.02		<b>0.02</b>
<b>As at 31 March 2024</b>	<b>177.23</b>	<b>3.25</b>	<b>180.48</b>
<b>Net Block</b>			
<b>As at 31 March 2023</b>	<b>182.01</b>	<b>4.61</b>	<b>186.62</b>
<b>As at 31 March 2024</b>	<b>275.72</b>	<b>4.69</b>	<b>280.41</b>

#### Notes:

- (i) The Holding Company has lease contracts for premises obtained for warehousing and office purposes. Leases of premises generally have lease terms between 2 and 5 years.
- (ii) Refer note 19 for disclosures pertaining to maturity analysis of lease payment.
- (iii) The following amount are recognised in the profit and loss:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation expenses of right of use assets (refer note 30)	98.76	66.17
Interest expenses on lease liabilities (refer note 19(i))	24.66	12.92
Expenses relating to short term leases (refer note 31)	12.82	28.64

- (iv) Amount recognised in Statement of Cash Flows

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Total cash outflow for leases - Principal	(87.74)	(53.98)
Total cash outflow for leases - Interest	(24.66)	(12.92)

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



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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 5(A) GOODWILL, OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

	Brands	Software	Patent and Trademarks	Total	Goodwill
<b>Gross block</b>					
As at 31 March 2022	84.46	80.73	986.47	1,151.67	1,783.84
Additions	-	357.02	2.29	359.32	-
Deletions	-	-	-	-	-
Foreign currency translation difference	-	0.32	0.05	0.37	-
As at 31 March 2023	84.46	438.08	988.82	1,511.36	1,783.84
Additions	-	163.32	1.51	164.83	-
Deletions	-	-	-	-	-
Foreign currency translation difference	-	0.49	0.12	0.61	-
As at 31 March 2024	84.46	601.89	990.45	1,676.80	1,783.84
<b>Accumulated amortisation</b>					
As at 31 March 2022	12.91	1.37	16.94	31.22	-
Amortisation for the year	5.18	20.99	114.50	140.67	-
Deletions	-	-	-	-	-
Foreign currency translation difference	-	0.16	0.07	0.23	-
As at 31 March 2023	18.09	22.52	131.51	172.12	-
Amortisation for the year	5.15	66.61	114.73	186.50	-
Deletions	-	-	-	-	-
Foreign currency translation difference	-	0.21	(0.15)	0.06	-
As at 31 March 2024	23.24	89.34	246.09	358.68	-
<b>Net Block</b>					
As at 31 March 2023	66.37	415.56	857.31	1,339.26	1,783.84
As at 31 March 2024	61.22	512.55	744.36	1,318.12	1,783.84

\* Refer note 42 for Business Combination

#### Note:

- The Group has not revalued its intangible assets in the current year.
- During the previous year, the Holding Company reviewed the amortisation method of intangible and changed the method of depreciation from written down value to straight line method as the same closely reflected the expected pattern of the consumption of the future economic benefits embodied in the asset. This has resulted decrease in depreciation for the year ended March 31, 2023 by Rs. 15.31 million.

#### 5(B) Intangible Assets under Development

	Total
As at 31 March 2022	144.98
Additions	241.93
Capitalised during the year	(304.40)
As at 31 March 2023	82.51
Additions	-
Capitalised during the year	(82.51)
As at 31 March 2024	-

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

As at 31 March 2023

Intangible assets under development	Ageing - Other intangible asset under development				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	82.51	-	-	-	82.51
Projects temporarily suspended	-	-	-	-	-

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

- The Goodwill of Rs. 1,783.84 million has arisen during the FY 2021-22 pursuant to the acquisition of the KaHa Group (Refer note 42 for further details). The Group has performed an impairment testing of goodwill that is required to be performed annually. As part of the impairment test, the recoverable amount is determined based on value-in-use calculations, estimated as the present value of projected future cashflows which require the use of assumptions.

#### Key assumptions used in calculating the discounted cash flows

Particulars	India Operations		Singapore Operations	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Discount rate	16.98%	16.98%	10.00%	11.00%
Average annual revenue growth rates	25.00%	25.00%	15.00%	10.00%
Long - Term sustainable growth rates	3.00%	3.00%	3.00%	3.00%
Operating margins	12.00%	12.00%	14% to 38%	27.00%

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections for all CGUs included specific estimates for 5 years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compounded annual EBITDA growth rate.

Financial forecasts was prepared taking into account past experience and the Group's future business plans.

The Group has performed sensitivity analysis around the base assumptions and has concluded there are no reasonably possible changes in a key assumption that would cause the carrying amount to exceed recoverable amount.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 6 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Non-Current</b>		
<b>Unquoted</b>		
<b>Investment in Equity Instruments (measured at amortised cost)</b>		
476 Equity shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up (at cost)	29.99	29.99
4286, 0.01% Non Cumulative Compulsory Convertible Preference Shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up (at cost)	270.02	270.02
Less: Share of net (loss) of equity accounted investees (net of income tax) from date of acquisition	(80.02)	(47.92)
<b>Investment in Joint Venture</b>		
2,15,50,000 (31 March 2023: 50,50,000)	215.50	50.50
Equity shares of Califonix Tech and Manufacturing Private Limited (JV with Dixon Technologies Ltd) having face value of Rs. 10 each, fully paid up	44.71	(7.30)
Less: Share of net profit/(loss) of equity accounted investees (net of income tax) from date of acquisition		
<b>Total</b>	<b>480.20</b>	<b>295.29</b>

#### Notes:

- The Group has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- The investment in 4,286, non cumulative compulsorily convertible preference shares ("CCPS") are convertible into equity shares in a ratio of 1:1 at any point of time at the option of the Holding Company by giving 15 days notice. In case the preference shares are not converted prior to 20 years from the date of issue, the same shall automatically get converted to equity shares immediately upon expiry of 20 (twenty) years from the date of issuance. Accordingly, the investment in the CCPS of the associate company are in terms of the commercial substance akin to the investment in the equity shares of the associate and recorded at cost.
- Investments in the associate company carried at amortised cost are tested for impairment in accordance with Ind AS 36 - Impairment of Assets. The carrying amount of the investment is tested for impairment by comparing its recoverable amount with its carrying amount. Based on the future operating cash flows and profitability of the associate company, the Group is certain that no impairment provision is required in the current year on the carrying amount of investment as at March 31, 2024. The Group will continue to monitor the same in the coming years and will assess the position of its value of investments at each balance sheet date.
- During the previous year, The Holding Company in partnership with Dixon Technologies Ltd. formed a Joint Venture "Califonix Tech and Manufacturing Private Limited" on 50:50 profit sharing basis. The JV was formed to leverage the manufacturing and product design, backward integration and R&D capabilities held by each of the partner. Accordingly, the Holding Company made initial investment of Rs.50.5 Mn for 50,50,000 equity shares of face value of Rs.10 each. Further during the year, the Holding Company has made additional investment of Rs. 165 Mn.
- Refer note 35 - Financial instruments, fair values and risk measurement for fair valuation methodology.

#### 7 OTHER INVESTMENTS

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Non-Current</b>		
<b>Investments measured at fair value through profit or loss (Quoted)</b>		
Investments in Mutual Funds *	-	8.14
<b>Total</b>	<b>-</b>	<b>8.14</b>
Aggregate amount of quoted investments (at cost)	-	6.03
Market value of quoted investments	-	8.14
Aggregate amount of unquoted investments	515.51	350.51
Aggregate amount of impairment in value of investments	-	-

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

#### 8 OTHER FINANCIAL ASSETS

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Non-Current</b>		
Security deposits	42.37	51.31
Bank deposits with original maturity of more than 12 months and remaining maturity of more than 12 months	-	215.00
<b>Total</b>	<b>42.37</b>	<b>266.31</b>
<b>Current</b>		
Security deposits	6.54	18.60
Less: Allowance for bad and doubtful deposits	(3.31)	(3.31)
Bank deposits with original maturity of more than 12 months but remaining maturity of less than 12 months	135.00	-
Others (including interest receivable)	25.83	101.48
<b>Total</b>	<b>164.06</b>	<b>116.77</b>
<b>Details of lien against bank deposits:</b>		
Security lien towards ICICI cash credit facility and working capital demand loan	60.00	140.00
Security lien towards Axis cash credit facility and working capital demand loan	75.00	75.00
<b>Total</b>	<b>135.00</b>	<b>215.00</b>

The Subsidiary Company had advanced Rs. 4.05 million in 2019-20 in accordance with the lease agreement executed for rental premises. The Subsidiary Company had vacated the premises and terminated the lease in April 2020 on account of invocation of force majeure clause invoked due to COVID 2019 lockdown. The Security Deposit was recoverable to the extent of Rs. 3.31 million in April 2020, after adjustment of rent, etc. However the lessor has not refunded the same. Thus, though the efforts are on to recover the amount due to the extent of Rs. 3.31 million in April 2020, after adjustment of rent, etc. the management has decided to make a provision for doubtful debts amounting to Rs. 3.31 million.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 9 INCOME TAXES

##### A. Components of income tax expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>I. Tax expense recognised in Profit and Loss</b>		
<b>Current Tax Expense</b>		
Current tax on profits for the year	6.48	6.17
Adjustments for the current tax of prior periods	0.36	0.23
<b>Total Current Tax Expense</b>	<b>6.84</b>	<b>6.40</b>
<b>Deferred Tax Expense</b>		
Origination and reversal of temporary differences	(172.53)	(348.98)
<b>Total Deferred Tax Expense</b>	<b>(172.53)</b>	<b>(348.98)</b>
<b>Income tax expenses recognised in profit and loss</b>	<b>(165.69)</b>	<b>(342.58)</b>
<b>II. Tax expense recognised in Other Comprehensive Income</b>		
<b>Deferred Tax Expense</b>		
Net (loss)/gain on remeasurements of defined benefit plans	(1.09)	(0.04)
<b>Income tax expenses recognised in other comprehensive income</b>	<b>(1.09)</b>	<b>(0.04)</b>

##### B. Reconciliation of Effective Tax Rate

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Weighted Average Statutory income tax rate applicable to group for the year</b>	25.17%	25.17%
<i>Differences due to:</i>		
Expenses not deductible for tax purposes	-0.87%	0.32%
Impact of adjustments for the current tax of prior periods	-0.04%	0.07%
Deferred tax asset not recognised for share of profits in relation to associate and joint venture	2.03%	-2.95%
Others	-9.08%	-1.69%
<b>Effective tax rate</b>	<b>17.21%</b>	<b>20.93%</b>

##### C. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Deferred Tax Assets</b>		
Lease liabilities	66.97	45.24
Provisions for employee benefits	11.54	9.28
Allowance for expected credit loss	96.16	85.65
Losses to be carried forward	419.74	265.74
Others	34.29	24.62
<b>Total Deferred Tax Assets (A)</b>	<b>628.70</b>	<b>430.53</b>
<b>Deferred Tax Liabilities</b>		
Property, plant and equipment	(11.97)	(9.88)
Right-of-use assets	(61.68)	(37.48)
Investments in equity instruments measured at FVTPL	-	(0.53)
Business Combination	(166.89)	(166.89)
Security deposits	(1.14)	(0.17)
<b>Total Deferred Tax Liabilities (B)</b>	<b>(241.68)</b>	<b>(214.95)</b>
<b>Net Deferred Tax Assets (A-B)</b>	<b>387.02</b>	<b>215.58</b>

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 9 INCOME TAXES (CONTINUED)

##### C. Deferred tax assets and liabilities (Continued)

##### (i) Movements in Deferred Tax Assets / (Liabilities)

Movements during the year ended 31 March 2024	Opening balance as on 31 March 2023	Recognised in profit and loss	Recognised in other comprehensive income	Pursuant to Business Combination	Recognised directly in equity	Closing balance as on 31 March 2024
<b>Deferred Tax Liabilities</b>						
Property, plant and equipment	(9.88)	(2.09)	-	-	-	(11.97)
Right-of-use assets	(37.48)	(24.20)	-	-	-	(61.68)
Investments in equity instruments measured at FVTPL	(0.53)	0.53	-	-	-	-
Security Deposits	(0.17)	(0.97)	-	-	-	(1.14)
Business Combination	(166.89)	-	-	-	-	(166.89)
<b>Deferred Tax Assets</b>						
Lease liabilities	45.24	21.73	-	-	-	66.97
Provisions for employee benefits	9.28	3.35	(1.09)	-	-	11.54
Allowance for expected credit loss	85.65	10.51	-	-	-	96.16
Losses to be carried forward	265.74	154.00	-	-	-	419.74
Others	24.62	9.66	-	-	-	34.29
<b>Total</b>	<b>215.58</b>	<b>172.53</b>	<b>(1.09)</b>	<b>-</b>	<b>-</b>	<b>387.02</b>
Net deferred tax assets as at 31 March 2024						628.70
Net deferred tax liabilities as at 31 March 2024						(241.68)
Net closing balance as on 31 March 2024						387.02

Movements during the year ended 31 March 2023	Opening balance as on 01 April 2022	Recognised in profit and loss	Recognised in other comprehensive income	Pursuant to Business Combination	Recognised directly in equity	Closing balance as on 31 March 2023
<b>Deferred Tax Liabilities</b>						
Property, plant and equipment	0.25	(10.13)	-	-	-	(9.88)
Right-of-use assets	(32.81)	(4.67)	-	-	-	(37.48)
Investments in equity instruments measured at FVTPL	(0.75)	0.23	-	-	-	(0.53)
Security Deposits	(0.72)	0.55	-	-	-	(0.17)
Business Combination	(166.89)	-	-	-	-	(166.89)
<b>Deferred Tax Assets</b>						
Lease liabilities	34.14	11.10	-	-	-	45.24
Provisions for employee benefits	7.78	1.54	(0.04)	-	-	9.28
Allowance for expected credit loss	25.56	60.09	-	-	-	85.65
Losses to be carried forward	-	265.74	-	-	-	265.74
Others	0.09	24.53	-	-	-	24.62
<b>Total</b>	<b>(133.35)</b>	<b>348.98</b>	<b>(0.04)</b>	<b>-</b>	<b>-</b>	<b>215.58</b>
Net deferred tax assets as at 31 March 2023						430.53
Net deferred tax liabilities as at 31 March 2023						(214.95)
Net closing balance as on 31 March 2023						215.58

##### D. Tax assets and liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-Current tax assets (net)</b>		
Advance tax and tax deducted at source, net of provision for tax	220.11	179.70

During the year ended 31 March 2024 and 31 March 2023, the Group has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

##### E. Business loss/Unabsorbed depreciation of the Holding Company can be carried forward as per table mentioned below:

Loss for the year ended	Head	Amount (Rs. In millions)	Carried forward till
31 March 2024	Business Loss	444.79	31-03-2032
31 March 2024	Unabsorbed depreciation	167.04	Indefinite period

Loss for the year ended	Head	Amount (Rs. In millions)	Carried forward till
31 March 2023	Business Loss	963.31	31-03-2031
31 March 2023	Unabsorbed depreciation	90.26	Indefinite period
31 March 2023	Capital loss	2.21	31-03-2031

##### Note:

- During the year, the Holding Company has incurred losses and the Holding Company is reasonably certain that the above losses will be set off against the profits of the coming years. Based on the future projections and profitability, the Holding Company has created Deferred Tax asset on the carried forward losses, unabsorbed depreciation and capital loss.
- The Group has not recognised deferred tax asset on the losses of subsidiary companies. Further, the Holding Company has not created Deferred Tax Asset on capital loss in relation to sale of Investments.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 10 OTHER CURRENT AND NON-CURRENT ASSETS

Particulars	As at	
	31 March 2024	31 March 2023
<b>Non-Current</b>		
<i>Unsecured, considered good unless otherwise stated</i>		
Advances other than capital advances		
Balances with Government Authorities		
- Goods and Services Tax credit receivable	3.40	2.69
	<b>3.40</b>	<b>2.69</b>
<b>Current</b>		
<i>Unsecured, considered good unless otherwise stated</i>		
Advances to vendors	1,842.72	3,840.43
Less: Provision for doubtful advances	(153.31)	(46.00)
Return asset *	335.80	273.57
Prepaid Expenses	57.37	38.42
Balances with Government Authorities		
- Goods and Services Tax credit receivable	1,548.20	1,629.36
- Custom Duty	1.35	52.39
- Sales Tax/ Value Added Tax	0.03	11.41
<b>Total</b>	<b>3,632.16</b>	<b>5,799.58</b>

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

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

#### 11 INVENTORIES

Particulars	As at	
	31 March 2024	31 March 2023
Stock-in-trade [Including goods in transit Rs. 53.92 millions (March 31, 2023: Rs. 326.20 millions)]	4,310.06	4,701.75
<b>Total</b>	<b>4,310.06</b>	<b>4,701.75</b>

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

(ii) Value of inventories above is stated after provisions for slow-moving and obsolete items of Rs. 1,120.74 millions (31 March 2023: Rs. 335.86 millions). Additionally, the inventories of finished goods have been reduced by Rs. 55.00 million (March 31, 2023 - 81.55) as a result of write down of inventories to net realisable value.

(iii) During the year an amount of Rs. 737.27 millions (31 March 2023: Rs. 300.86 millions) has been charged off to statement of profit and loss on account of cost of goods that have been scrapped.

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

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 12 TRADE RECEIVABLES

Particulars	As at	
	31 March 2024	31 March 2023
<b>Current</b>		
Trade Receivables considered good – Secured	-	-
Trade Receivables considered good – Unsecured	1,728.95	2,952.43
Trade Receivables which have significant increase in credit risk - Unsecured	-	99.91
Trade Receivables – credit impaired - Unsecured	11.05	-
Less: Allowance for expected credit loss	(232.04)	(294.27)
<b>Total</b>	<b>1,507.96</b>	<b>2,758.06</b>
<b>Category wise details of allowance for expected credit loss</b>		
Allowance for expected credit loss for Trade Receivables considered good – Unsecured	220.99	-
Allowance for expected credit loss for Trade Receivables – credit impaired - Unsecured	11.05	294.27
	<b>232.04</b>	<b>294.27</b>

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

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

(i) There are no debt which are due by directors or other officers of the Holding Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member for the year ended 31 March 2024 and 31 March 2023.

(ii) **Trade receivables from related parties:** There are no Trade Receivable from Related Party at the group level.

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

Particulars	As at	
	31 March 2024	31 March 2023
Balance as at beginning of the year	294.27	41.49
Change in allowance during the year	(62.23)	252.78
Balance as at the end of the year	<b>232.04</b>	<b>294.27</b>

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

Trade receivables ageing schedule as at 31 March 2024	Outstanding for following periods from due date of payment						Total
	Current (not due)	Less than 6 months	6 Months to 1 Year	1 - 2 Years	2 -3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	1,158.81	400.73	84.12	79.13	3.17	2.99	1,728.95
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	11.05	-	11.05
	<b>1,158.81</b>	<b>400.73</b>	<b>84.12</b>	<b>79.13</b>	<b>14.22</b>	<b>2.99</b>	<b>1,740.00</b>
Allowance for expected credit loss	(0.21)	(51.53)	(83.97)	(79.13)	(14.22)	(2.99)	(232.04)
	<b>1,158.60</b>	<b>349.20</b>	<b>0.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,507.96</b>

Note: There are no unbilled dues as at 31 March 2024

Trade receivables ageing schedule as at 31 March 2023	Outstanding for following periods from due date of payment						Total
	Current (not due)	Less than 6 months	6 Months to 1 Year	1 - 2 Years	2 -3 Years	More than 3 Years	
(i) Undisputed Trade Receivables - considered good	1,171.63	1,487.83	231.31	56.54	5.09	0.02	2,952.43
(ii) Undisputed Trade Receivables - significant increase in credit risk	-	-	99.91	-	-	-	99.91
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	<b>1,171.63</b>	<b>1,487.83</b>	<b>331.22</b>	<b>56.54</b>	<b>5.09</b>	<b>0.02</b>	<b>3,052.34</b>
Allowance for expected credit loss	(0.30)	(51.11)	(181.21)	(56.54)	(5.09)	(0.02)	(294.27)
	<b>1,171.33</b>	<b>1,436.72</b>	<b>150.01</b>	<b>(0.00)</b>	<b>-</b>	<b>-</b>	<b>2,758.06</b>

Note: There are no unbilled dues as at 31 March 2023

The Holding Company sold with recourse trade receivables to a bank for cash proceeds. These trade receivables have not been derecognised from the balance sheet, because the Holding Company retains substantially all of the risks and rewards – primarily credit risk. The amount received on transfer has been recognised as a unsecured bank loan (see Note 18). The arrangement with the bank is such that the customer remit cash directly to the Holding Company and the Holding Company transfers the collected amounts to the bank. The receivables are considered to be held within a held-to-collect business model consistent with the Holding Company's continuing recognition of the receivables.

The following information shows the carrying amount of trade receivables at the reporting date that have been transferred but have not been derecognised and the associated liabilities.

Particular	As at	
	31 March 2024	31 March 2023
Carrying amount of trade receivables transferred to a bank	-	659.22
Carrying amount of associated liabilities	-	659.22

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 13 CASH AND CASH EQUIVALENTS

Particulars	As at	
	31 March 2024	31 March 2023
Cash on hand*	0.86	0.80
Balances with banks		
In current accounts	463.59	317.22
In deposits with original maturity of less than 3 months	140.00	1,156.01
<b>Total</b>	<b>604.45</b>	<b>1,474.03</b>

\* Cash on hand includes balances in digital wallets of Rs. 0.81 (31 March 2023 : Rs. 0.67)

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

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

Particulars	As at	
	31 March 2024	31 March 2023
Balances with banks to the extent held as security against the borrowings		
Fixed deposits with original maturity of more than 3 months but less than 12 months	1,935.00	1,930.40
<b>Total</b>	<b>1,935.00</b>	<b>1,930.40</b>

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

#### Note:

##### Details of lien against fixed deposits:

Security lien towards RBL cash credit facility	1,575.00	1,585.30
Security lien towards ICICI cash credit facility	-	60.00
Security lien towards HDFC working capital demand loan	60.00	10.00
Security lien towards Citi Bank working capital demand loan	-	50.10
Security lien towards HSBC working capital demand loan	150.00	150.00
Security lien towards SCB working capital demand loan	75.00	75.00
Security lien towards DBS working capital demand loan	75.00	-
<b>Total</b>	<b>1,935.00</b>	<b>1,930.40</b>

#### 15 LOANS

Particulars	As at	
	31 March 2024	31 March 2023
<b>Current</b>		
Loan to employees	-	-
Loans Receivables considered good – Secured	-	-
Loans Receivables considered good – Unsecured	0.04	0.45
Loans Receivables which have significant increase in credit risk	-	-
Loans Receivables – credit impaired	-	-
Loan to subsidiary Company	-	-
<b>Total</b>	<b>0.04</b>	<b>0.45</b>

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

#### Notes:

- (i) There are no loans due by directors or other officers of the Group or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member, except as disclosed in note (iii) below.
- (ii) Loans given to employees as per the Group's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.
- (iii) Loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

- (a) repayable on demand; or  
(b) without specifying any terms or period of repayment, except as disclosed below

Particulars	As at		As at	
	31 March 2024		31 March 2023	
	Amount	% of total	Amount	% of total
<b>Type of Borrower</b>				
Related parties (for working capital requirements)*	37.00	N.A.	27.00	N.A.

\* Loan given to related parties

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

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

Particulars	As at		As at	
	31 March 2024		31 March 2023	
	Amount	% of total	Amount	% of total
Advances to subsidiary company	14.63	N.A.	38.23	N.A.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>AUTHORISED SHARE CAPITAL</b>				
Equity shares of Re 1 each (Previous Year of Rs. 1 each)	14,64,68,000	146.47	14,64,68,000	146.47
Preference shares of Rs 10 each	5,35,200	5.35	5,35,200	5.35
Preference shares of Rs 6,000 each	18,929	113.57	18,929	113.57
Preference shares of Rs 3.00 each (classified as financial liability)	66,58,000	19.97	66,58,000	19.97
<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>				
<b>Equity share capital</b>				
Equity shares of Re 1 each (Previous Year of Rs. 1 each)	9,61,46,300	96.15	9,60,30,300	96.10
		<u>96.15</u>		<u>96.10</u>
<b>Instruments entirely Equity in nature</b>				
Preference shares of Rs 10 each	5,10,000	5.10	5,10,000	5.10
Preference shares of Rs 6,000 each	17,269	103.61	17,269	103.61
		<u>108.71</u>		<u>108.71</u>
<b>Total</b>		<u>204.86</u>		<u>204.81</u>

#### (a) Reconciliation of the number of shares

Particulars	Equity shares		Series A CCPS		Series B CCPS	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>As at 31 March 2022</b>	<b>9,60,30,300</b>	<b>96.04</b>	<b>5,10,000</b>	<b>5.10</b>	<b>17,269</b>	<b>103.61</b>
Issue of Equity Shares on exercise of employee stock option	66,000	0.06				
<b>As at 31 March 2023</b>	<b>9,60,96,300</b>	<b>96.10</b>	<b>5,10,000</b>	<b>5.10</b>	<b>17,269</b>	<b>103.61</b>
Issue of Equity Shares on exercise of employee stock option	50,000	0.05				
<b>As at 31 March 2024</b>	<b>9,61,46,300</b>	<b>96.15</b>	<b>5,10,000</b>	<b>5.10</b>	<b>17,269</b>	<b>103.61</b>

\* Pursuant to the resolutions passed by the Board of Directors on 15 December 2021 and the shareholders on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share. There is no impact on the value of equity share capital.

Equity shares represents equity shares of Rs 1 each, fully paid up

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

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

#### (b) Rights, preferences and restrictions attached to equity shares:

The Holding Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held and after payment to the secured and unsecured loan.

#### (c) Rights, preferences and restrictions attached to preference shares:

The Holding Company has three classes of preference shares i.e. 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each (Series A CCPS) and 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each (Series B CCPS), 0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each (Series C CCPS).

Series A CCPS comprises Series A CCPS and Series A1 CCPS, both convertible at a ratio of 1:1 (that is 1 Equity Share shall be issued upon conversion of 1 Preference Share), having a right to preferred non-cumulative dividend of 0.01% per annum and of the par value of Rs 10 each in the capital of the Holding Company. Each Preference Share may be converted into Equity Shares at any time at the option of the holder of that Preference Share and/or if mandated by applicable laws.

Subject to applicable Laws, the preference shares shall be automatically converted into equity shares in the ratio of 1 Equity Share for 1 Preference Share ('Conversion Ratio'), upon the earlier of (i) expiry of 19 years and 9 months from the Closing Date or (ii) in connection with an IPO, prior to the filing of a red hearing prospectus (or equivalent document, by whatever name called) by the Holding Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

Series B CCPS comprises Series B CCPS and Series B1 CCPS, both cumulative participating compulsorily and fully convertible preference shares having a face value of Rs. 6,000 each, convertible at a ratio of 1:2000 \* (that is 2000 Equity Share shall be issued upon conversion of 1 Preference Share), having a right to preferred cumulative dividend of 0.01% per annum and of the par value of Rs 6,000 each in the capital of the Holding Company. Each Preference Share may be converted into Equity Shares at any time at the option of the holder of that Preference Share and/or if mandated by applicable laws.

Subject to applicable Laws, the preference shares shall be automatically converted into equity shares in the ratio of 2000 Equity Share for 1 Preference Share ('Conversion Ratio'), upon the earlier of (i) expiry of 19 years and 9 months from the Closing Date; or (ii) in connection with an IPO, prior to the filing of a red-herring prospectus (or equivalent document, by whatever name called) by the Holding Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

\* As per the original terms of Series B CCPS, the conversion ratio was 1:1 (that is 1 Equity Share shall be issued upon conversion of 1 Preference Share). During the year ended 31 March 2022, pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS and the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share. The Holding Company adjusted the conversion price for Series B CCPS in accordance with their terms of issuance as set out in the articles of association and the amended and shareholders agreement dated 9 April 2021 from Rs. 283,749 to Rs. 141.88. Accordingly, the revised conversion ratio is 1:2000.



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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 16 EQUITY SHARE CAPITAL AND INSTRUMENTS ENTIRELY EQUITY IN NATURE (CONTINUED)

##### (d) Details of shareholders more than 5% shares of a class of shares in the Company:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% in shares	Number of shares	% in shares
<b>Equity shares</b>				
Mr. Sameer Mehta	3,83,70,000	39.91%	3,83,70,000	39.93%
Mr. Aman Gupta	3,83,70,000	39.91%	3,83,70,000	39.93%
South Lake Investment Ltd	1,85,10,000	19.25%	1,85,10,000	19.26%
<b>Series A CCPS</b>				
Fireside Ventures Investment Fund - I	5,10,000	100.00%	5,10,000	100.00%
<b>Series B CCPS</b>				
South Lake Investment Ltd	15,507	89.80%	15,507	89.80%
Qualcomm Ventures LLC	1,762	10.20%	1,762	10.20%

##### (e) Shares reserved for issue under options and contracts:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
<b>Under Employee Stock Option Plan 2019:</b>				
Equity shares of Re 1 each, at exercise price of Rs 30.27 per share	5,85,200	0.59	5,85,200	0.59
Equity shares of Re 1 each, at exercise price of Rs 141.88 per share	20,36,450	2.04	20,36,450	2.04
Equity shares of Re 1 each, at exercise price of Rs 218.00 per share	8,75,000	0.88	8,75,000	0.88
Equity shares of Re 1 each, at exercise price of Rs 300.00 per share	1,50,000	0.15	1,50,000	0.15
Equity shares of Re 1 each, at exercise price of Rs 450.00 per share	5,56,002	0.56	5,56,002	0.56
<b>Under Employee Stock Option Plan 2021:</b>				
Equity shares of Re 1 each, at exercise price of Rs 141.88 per share	20,14,000	2.01	20,64,000	5.50
<b>Under Employee Stock Option Plan 2023:</b>				
Equity shares of Re 1 each, at exercise price of Rs 450.00 per share	1,52,336	0.15	-	-
<b>For 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each</b>				
Equity shares of Re 1 each *	51,00,000	5.10	51,00,000	5.10
<b>For 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each</b>				
Equity shares of Re 1 each *	3,45,38,000	34.54	3,45,38,000	34.54

\* Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the number of options and the exercise price per share have also been adjusted accordingly, i.e. number of options have been multiplied by 200 and the exercise price per share has been divided by 200.

Terms attached to the Compulsorily Convertible Preference Shares are described in note 16 (c).

Terms attached to the Employee Stock Options granted to the employees are described in note 40 regarding Employee share based payments.

##### (f) During the period of five years immediately preceding the reporting date:

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Aggregate number and class of shares allotted as fully paid up by way of bonus shares</b>		
Equity shares of Re 1 each (Previous Year of Rs. 10 each) @	94,77,375	94,77,375
0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each #	5,07,450	5,07,450
<b>Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:</b>		
Equity shares of Re 1 each (Previous Year of Rs. 1 each) *	4,934	4,934

@ During the year ended 31 March 2022, the Holding Company has issued bonus shares in the ratio of 1:199 ( i.e. 199 new bonus shares for every 1 share held by the holder) credited as fully paid up, to the eligible equity shareholders of Equity Shares of Rs. 10 each and whose names appear in the Register of Members / Beneficial Owners' position of the Company on 13 May, 2021 ("Record Date").

# During the year ended 31 March 2022, the Holding Company has issued bonus shares in the ratio of 1:199 ( i.e. 199 new bonus shares for every 1 share held by the holder) credited as fully paid up, to the eligible shareholders 0.01% Non-Cumulative Compulsory Convertible preference shares of Rs. 10 each and whose names appear in the Register of Members / Beneficial Owners' position of the Company on 13 May, 2021 ("Record Date").

Pursuant to the aforementioned Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS and the face value of the equity shares was sub-divided from Rs. 10 per Equity share to Re. 1 per Equity share, the Holding Company adjusted the conversion price for Series B CCPS in accordance with their terms of issuance as set out in the articles of association and the amended and shareholders agreement dated April 9, 2021, from Rs. 283,749 to Rs. 141.88.

\* During the year ended 31 March 2021, the Holding Company bought back 4,934 equity shares of Rs 10 each, fully paid up at a price of Rs. 283,138.31 per equity share for an amount of Rs.1,135,502,418 from Mr. Sameer Mehta (2,467 equity shares) and Mr. Aman Gupta (2,467 equity shares).

##### (g) Details of shares by the Promoter's of the Holding Company:

Particulars	change %	As at 31 March 2024		As at 31 March 2023	
		Number of shares	% in the class	Number of shares	% in the class
<b>Equity shares of Rs each fully paid up held by:</b>					
Mr. Sameer Mehta	-0.02%	3,83,70,000	39.91%	3,83,70,000	39.93%
Mr. Aman Gupta	-0.02%	3,83,70,000	39.91%	3,83,70,000	39.93%

##### (h) Agreements with Shareholders:

(i) For terms in relation to Series C CCPS refer note 18(viii).

##### (ii) During the year ended 31 March 2022:

Pursuant to a Shareholders Agreement (SHA) dated 9 April 2021 entered into by and between Imagine Marketing Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2), Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd and Qualcomm Ventures LLC and the Share Subscription Agreement (SSA) dated 9 April 2021 entered into by and between Imagine Marketing Limited, the Promoters, Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd and Qualcomm Ventures LLC, the Holding Company issued 1,762 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each to Qualcomm Ventures LLC on 20 April 2021 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Consequent to such issue of shares, the Holding Company received Rs. 499.96 million the details of which are included in the table below:

Type of share	Face value per share	Issue price per share	Premium on issue per share	No. of shares	Total amount in Rs. million
0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each (Series B1 CCPS)	6,000.00	2,83,749.00	2,77,749.00	1,762.00	499.96

Pursuant to the SHA dated 9 April 2021 as mentioned above, the conversion ratio of the Series B1 CCPS was determined to be 1:1. Accordingly, Series B1 CCPS were considered to be "Instrument entirely Equity in nature" as at the transaction date.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 17 OTHER EQUITY

##### A. Summary of Other Equity balance:

Particulars	As at	As at
	31 March 2024	31 March 2023
Securities Premium	3,717.34	3,708.07
General Reserve	11.25	11.25
Share Options Outstanding Account	307.55	198.22
Retained Earnings	(171.88)	621.73
Foreign Currency Translation Reserve	3.76	(52.44)
<b>Total Other Equity</b>	<b>3,868.02</b>	<b>4,486.83</b>
<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	3,708.07	3,704.85
Add: Addition during the year on account of issue of equity shares on exercise of employee stock options	9.27	3.22
<b>Balance at the end of the year</b>	<b>3,717.34</b>	<b>3,708.07</b>
<b>General Reserve</b>		
Balance at the beginning of the year	11.25	11.25
Add: Transferred from debenture redemption reserve	-	-
<b>Balance at the end of the year</b>	<b>11.25</b>	<b>11.25</b>
<b>Share Options Outstanding Account</b>		
Balance at the beginning of the year	198.22	162.00
Add: Charge for the year (Refer note 28)	111.56	36.22
Less: Issue of equity shares on exercise of employee stock options	(2.23)	-
<b>Balance at the end of the year</b>	<b>307.55</b>	<b>198.22</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	621.73	1,916.15
Add: (Loss) for the year	(796.84)	(1,294.54)
Less: Remeasurement of post employment benefit obligation, net of tax	3.23	0.12
<b>Balance at the end of the year</b>	<b>(171.88)</b>	<b>621.73</b>
<b>Other Comprehensive Income/(expense)</b>		
<b>(i) Foreign Currency Translation Reserve</b>		
Balance at the beginning of the year	(52.44)	20.39
Add: Exchange differences in translating financial statements of foreign operations	56.20	(72.83)
<b>Balance at the end of the year</b>	<b>3.76</b>	<b>(52.44)</b>

##### B. Nature and purpose of reserves:

**Securities Premium** - Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**General Reserve** - On redemption of the debentures for which the debenture redemption reserve was created, the Holding Company has transferred the balance in the debenture redemption reserve to the General Reserve.

**Share Options Outstanding Account** - The fair value of the equity-settled share based payment transactions is recognised in Consolidated statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

**Retained Earnings** - Retained earnings are the profits that the group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**Foreign currency translation reserve** - The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 18 BORROWINGS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-Current</b>		
<b>Unsecured, at Fair value through profit and loss (FVTPL)</b>		
6,657,791 0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each (refer note viii below)	5,039.95	5,031.23
<b>Total</b>	<b>5,039.95</b>	<b>5,031.23</b>
<b>Current</b>		
<b>Secured, at amortised cost</b>		
Cash credit from banks (refer note (i) below)	581.69	3,020.64
Loan repayable on demand:		
- from banks (refer note (i) below)	2,980.23	3,650.00
<b>Unsecured, at amortised cost</b>		
Loan repayable on demand:		
- from banks (refer note (i) below)	-	659.22
<b>Total</b>	<b>3,561.92</b>	<b>7,329.86</b>

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

#### Notes:

##### (i)(a) As at March 31, 2024

Name of the bank	Limits INR Millions	Nature of Limits	Outstanding as on 31 March 2024	FY24 - Interest Rates	
				From	To
HSBC	1,500	CC & WCDL Limits	500.00	8.85	8.85
HSBC (unsecured)	1,000	Bill Discounting facility	-	8.95	9.40
Citi Bank	1,400	CC & WCDL Limits	500.00	8.57	8.57
ICICI Bank	500	OD CC & WCDL Limits	-	1-MCLR 6M + 0.7%	NA
ICICI Bank	990	FD OD limits	-	FD Rate + 0.50%	NA
RBL Ltd	750	OD CC & WCDL Limits	580.19	6.60	8.10
RBL Ltd	1,500	FD OD limits	900.00	6.60	8.10
Standard Chartered Bank	750	CC & WCDL Limits	-	9.15	9.17
Axis Bank	750	CC & WCDL Limits	676.50	8.30	8.30
DBS Bank	750	WCDL Limits	-	8.65	9.50
HDFC Bank	600	CC & WCDL Limits	-	8.30	8.30
<b>Total</b>	<b>10,490</b>		<b>3,156.69</b>		

##### (i)(b) As at March 31, 2023

Name of the bank	Limits INR Millions	Nature of Limits	Outstanding as on 31 March 2023	FY23 - Interest Rates	
				From	To
HSBC	1,500	CC & WCDL Limits	1,224.23	5.71	9.63
HSBC (unsecured)	1,000	Bill Discounting facility	659.22	8.95	NA
Citi Bank	1,400	CC & WCDL Limits	-	6.20	9.00
ICICI Bank	1,000	OD CC & WCDL Limits	845.59	6.20	8.95
ICICI Bank	2,000	FD OD limits	1,052.13	FD rate + 0.50%	NA
RBL Ltd	750	OD CC & WCDL Limits	750.00	6.14	8.75
RBL Ltd	1,500	FD OD limits	1,498.68	FD rate + 0.50%	NA
Standard Chartered Bank	750	CC & WCDL Limits	-	6.25	8.70
Axis Bank	750	CC & WCDL Limits	700.00	6.90	8.70
HDFC Bank	600	CC & WCDL Limits	600.00	6.00	8.29
<b>Total</b>	<b>11,250</b>		<b>7,329.85</b>		

- (a) Unsecured loan was obtained by the Holding Company from HSBC Bank towards working capital through sales invoice discounting facility of invoices of Appario Retail Private Limited ('Appario') which carried an interest rate between 8.95% to 9.40% as on March 31, 2024 and 8.95% as at March 31, 2023. Loan was repayable as per due dates of invoices of Appario and interest on transaction basis for the amount utilised for number of days.
- (b) Cash Credit (CC) facility and Overdraft facility has been availed by the Holding Company from ICICI bank for meeting the working capital requirements of the Holding Company and carries an interest rate at 1-MCLR 6M +0.7% and FD rate + 0.50% respectively (March 31, 2023: Repo rate+2.2% and FD rate + 0.50%), computed on monthly basis on the actual amount utilized to be paid on last date of each month against the pledge of current asset receivable and current asset inventory.
- (c) Cash Credit (CC) facility and working capital demand loan (WCDL) facility from Citi bank has been availed and carried an interest rate mutually agreed between the parties at the time of disbursement (refer table above for interest rates), computed on monthly basis on the actual amount utilised to be paid on last date of each month.  
For the year ended March 2023, the Holding Company had availed an aggregate limit of Rs.2000 million (including Cash Credit Limit and Working Capital Demand Loan) of which Rs.1400 million was secured against hypothecation on current stocks and book debts of the Holding Company as well as pledge against fixed deposits. The remaining limit of Rs. 600 million is an unsecured adhoc facility given by the bank.  
The WCDLs generally had a tenure ranging upto 6 months. These cash credit and WCDLs loans are repayable on demand. As on March 31, 2023, there was a breach of financial covenant (Debt to EBITDA) for which the Holding Company has made representation to the bank for waiver. In the current year, the breach continued and however, the bank continues to provide financial limits as mentioned above vide Sanction letter dated July 21, 2023.
- (d) Secured working capital demand loan (sublimit of cash credit facility) has been obtained by the Holding Company from RBL bank against fixed deposit of Rs 75 million as security. The Holding Company has given RBL First Passu Charge on the entire current assets of the Holding Company, both present and future. The interest rate is applicable as per disbursement date and the bank reserves the right to charge additional interest at the rate of 2% p.a on occurrence of such events as specified in the agreement. The tenure of the WCDL loans ranges upto 3 months and the same was repayable on demand. In the previous year, the Holding Company has availed fixed deposit backed overdraft facility (FD-OD) of Rs.1,500 million from RBL bank secured against the 100% Fixed Deposit and carried interest rate of FD rate + 0.50% which subsequently was changed to FD rate + 0.00%.
- (e) Overdraft facility has been availed by the Holding Company from HSBC Bank and carried an interest rate mutually agreed per annum which was linked to the prevalent Bank MCLR/3M T-bill against the pledge of current asset receivable and inventory and had placed under lien Fixed Deposits of Rs. 150 million and Rs. 1500 million as a lien marked towards overdraft-1 facility and overdraft - 2 facility respectively. The tenure of the WCDL loans ranged upto 90 days and the same is repayable on demand.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 18 BORROWINGS (CONTINUED)

##### Notes: (Continued)

- (f) Secured loan including cash credit and working capital demand loans has been obtained by the Holding Company from HDFC bank towards working capital which carries an interest rate as per the table above. The Holding Company has given First pari passu charge on entire receivables and on entire inventory of the Holding Company, present and future, to all the banks. Also, fixed deposit charge of Rs 60 million lien marked to HDFC Bank.
- (g) Secured loan has been obtained by the Holding Company from Standard Chartered Bank towards working capital which carries an interest rate specified by the bank at the time of drawdown i.e 9.15% to 9.17% as at March 31, 2024 (6.25% to 8.70% as at 31 March 2023). The Holding Company has given first pari passu charge on current assets (stock and book debt) and has placed fixed deposits of Rs. 75 million under lien. The maximum tenure of this loan is 150 days and the same is repayable on demand.
- (h) Secured loan has been obtained by the Holding Company from Axis Bank towards working capital which carries an interest rate specified by the bank at the time of drawdown (refer table above for interest rates). The Holding Company has given first pari passu charge on current assets (current and future stock and book debt) and has placed fixed deposits of Rs. 75 million under lien. The maximum tenure of this loan is 90 days and the same is repayable on demand.
- (i) During the year, secured loan has been obtained by the Company from DBS Bank towards working capital which carries an interest rate specified by the bank (mutually agreed at the time of drawdown). The Company has given first pari passu charge on current assets (current and future stock and book debt) and has placed fixed deposits of Rs. 75 million under lien. The maximum tenure of this loan is 180 days and the same is repayable on demand.

(ii) Borrowings from banks and financial institutions have been used for the purpose for which they were obtained.

(iii) The Holding Company has filed quarterly returns/statements of current assets during the year ended 31 March 2024 and 31 March 2023 with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts. Following are the discrepancies between books of accounts & quarterly statements submitted to banks relating to current assets, where borrowings have been availed based on security of current assets.

Bank	Quarter	Particulars	Amount as per books of account	Amount as reported in the quarterly return/statement	Amount of difference	Reason for material discrepancies
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2022	Inventory	5,983.15	6,592.82	(609.68)	Adjustment for goods-in-transit and provisions recognised
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2022	Trade receivables	6,413.63	6,599.69	(186.06)	Adjustment for provisions for doubtful debts
Citi Bank, RBL, HDFC, ICICI, HSBC	June 2022	Advance to Vendor	3,051.16	3,059.25	(8.09)	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2022	Inventory	7,597.76	7,641.11	(43.36)	Adjustment for goods-in-transit and provisions recognised
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2022	Trade receivables	9,758.91	9,512.69	246.22	Adjustment for Advance from Debtors
Citi Bank, RBL, HDFC, ICICI, HSBC	September 2022	Advance to Vendor	5,064.21	5,069.71	(5.50)	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	December 2022	Trade receivables	4,652.88	4,626.76	26.11	Adjustment for Advance from Debtors
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2023	Inventory	4,616.48	4,835.31	(218.83)	Adjustment for goods-in-transit and provisions recognised
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2023	Trade receivables	2,694.15	3,883.34	(1,189.19)	Adjustment for reversal of revenue for year end cut off and provisions
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB	March 2023	Advance to Vendor	3,865.41	4,493.17	(627.76)	Adjustment for Vendor Advance against Trade Payables
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis	June 2023	Inventory	5,165.25	5,165.25	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis	June 2023	Trade receivables	5,883.71	5,883.71	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	June 2023	Advance to Vendor	6,640.70	6,640.70	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	September 2023	Inventory	7,621.31	7,621.31	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	September 2023	Trade receivables	7,939.17	7,939.17	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	September 2023	Advance to Vendor	5,766.61	5,766.61	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	December 2023	Inventory	7,830.34	7,830.34	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	December 2023	Trade receivables	3,491.68	3,491.68	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	December 2023	Advance to Vendor	2,700.83	2,700.83	-	
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	March 2024	Inventory	4,293.23	4,308.71	(15.48)	On account of cut off reversals
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	March 2024	Trade receivables	1,497.06	1,706.25	(209.19)	Reclass of advance from customers from current assets to current liabilities and provisions for support cost moved from payables to receivables.
Citi Bank, RBL, HDFC, ICICI, HSBC, SCB, Axis, DBS	March 2024	Advance to Vendor	1,853.63	1,853.63	-	

(iv) The Group has registered all the charges or satisfaction with the Registrar of Companies (ROC) by the statutory date.

(v) The Group has not been declared as a Wilful defaulter.

(vi) There has been no discrepancy in utilisation of borrowings

(vii) The Group has not obtained any long term borrowings except for Series C classified as financial liability.

##### (viii) Terms of series C CCPS:

###### During the year ended 31 March 2023:

Pursuant to a Shareholders Agreement (SHA) dated 24 October 2022 entered into by and between Imagine Marketing Limited, Sameer Mehta (Promoter 1), Aman Gupta (Promoter 2), Fireside Ventures Investment Fund - I (Scheme of Fireside Ventures Investments Trust), South Lake Investments Ltd, Qualcomm Ventures LLC, Malabar India Fund Limited, Malabar Select Fund and Malabar Midcap Fund and the Share Subscription Agreement (SSA) dated 24 October 2022 entered into by and between Imagine Marketing Limited, the Promoters, South Lake Investments Ltd, Malabar India Fund Limited, Malabar Select Fund and Malabar Midcap Fund, the Holding Company issued 6,657,791 0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each to South Lake Investments Ltd, Malabar India Fund Limited, Malabar Select Fund and Malabar Midcap Fund on December 2, 2022 on a private placement basis as per the provisions of Section 42 of the Companies Act, 2013. Subsequent to such issue of shares, the Holding Company received Rs. 5,000 million the details of which are included in the table below:

Type of share	Face value per share	Issue price per share	Premium on issue per share	No. of shares	Total amount in Rs. million
0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each (Series C CCPS)	3.00	751.00	748.00	66,57,791.00	5,000.00
Add: Fair value (gain)/loss on account of changes in financial liabilities					31.23
<b>Carrying amount of liability as at March 31, 2023</b>					<b>5,031.23</b>
Add: Fair value (gain)/loss on account of changes in financial liabilities					8.72
<b>Carrying amount of liability as at March 31, 2024</b>					<b>5,039.95</b>

Series C CCPS comprises cumulative compulsorily and fully convertible preference shares having a face value of Rs. 3 each, to be converted into such number of equity shares of face value of Rs. 1 each as per the adjustment ratio linked to next external funding round as mentioned in the shareholders agreement (SHA) dated October 24, 2022. Further, the Series C CCPS have a right to preferred cumulative dividend of 0.01% per annum and of the par value of Rs 3 each in the capital of the Holding Company.

Subject to applicable Laws, the preference shares shall be automatically converted as per the terms mentioned above, upon the earlier of (i) expiry of 19 years and 9 months from the date of the issuance and allotment; or (ii) in connection with an IPO, prior to the filing of a red-herring prospectus (or equivalent document, by whatever name called) by the Holding Company with the competent authority or such later date as may be permitted under applicable law.

In the event of a liquidation, the holders of CCPS will have priority over equity shareholders in the payment of dividend and repayment of capital.

As per Ind AS 32 - Financial Instruments: Presentation, and terms and conditions mentioned in the SHA mentioned above, the Holding Company has classified the same as financial liability since it comprises an obligation on the Holding Company to deliver a variable number of shares on the basis of conversion ratio and price as defined in the SHA. Although the variability is subject to the adjustment ratio as mentioned in the SHA at the time of conversion, the overall number of equity instruments that the issuer is obliged to deliver is not fixed.

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2024  
(All amounts are in Rs. million, unless otherwise stated)

### 19 LEASE LIABILITIES

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-current</b>		
Lease liabilities payable beyond 12 months	197.48	118.17
	<b>197.48</b>	<b>118.17</b>
<b>Current</b>		
Lease liabilities payable within 12 months	82.93	70.32
	<b>82.93</b>	<b>70.32</b>

#### (i) Set out below is the movement in lease liabilities during the period:

Particulars	As at 31 March 2024	As at 31 March 2023
As at 1 April	188.49	140.13
Add: Additions during the year	199.58	125.50
Add: Addition on account of business combination	-	-
Add: Accretion of interest	24.66	12.92
Less: Deletion due to closure	(44.57)	(23.16)
Less: Payments	(87.74)	(66.90)
<b>Closing balance</b>	<b>280.41</b>	<b>188.49</b>
Non-Current	197.48	118.17
Current	82.93	70.32
<b>Total</b>	<b>280.41</b>	<b>188.49</b>

#### (ii) Maturity analysis of lease liabilities (undiscounted basis):

Particulars	As at 31 March 2024	As at 31 March 2023
Not later than one year	82.93	70.32
Later than one year and not later than five years	197.48	118.17
Later than five years	-	-
<b>Total</b>	<b>280.41</b>	<b>188.49</b>

(iii) The effective interest rate for lease liabilities for Indian Entity is 10.26% as on 31 March 2024 (9.56% as on 31 March 2023), for foreign entity Effective Interest Rate was 3%

(iv) The Group had total cash outflow for leases (including the short-term leases) for 31 March 2024: Rs. 102.94 million (31 March 2023: Rs. 96.63 million)

### 20 PROVISIONS

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-Current</b>		
Provision for employee benefits		
- Provision for compensated absence (refer note 39)	1.39	3.93
- Provision for gratuity (refer note 39)	21.14	17.10
<b>Total</b>	<b>22.53</b>	<b>21.03</b>
<b>Current</b>		
Provision for employee benefits		
- Provision for gratuity (refer note 39)	1.62	1.11
- Provision for compensated absence (refer note 39)	23.07	16.09
Other provisions		
- Provision for warranties	534.75	220.85
- Provision for expected return liability	559.66	420.87
<b>Total</b>	<b>1,119.10</b>	<b>658.92</b>

The provision for warranties represents management's best estimate of the Group's liability under warranties granted on products, based on prior experience and industry averages.

The provision for expected return liability represents management's best estimate of the Group's liability with respect to the customers contractual right to return goods in case of any defects or on grounds of quality.

#### (i) Movements in Other Provisions

Provision for warranties	As at 31 March 2024	As at 31 March 2023
At the beginning of the year	220.85	484.88
Addition during the year	534.75	220.85
Utilised during the year	(220.85)	(484.88)
<b>At the end of the year</b>	<b>534.75</b>	<b>220.85</b>
Provision for expected return liability	As at 31 March 2024	As at 31 March 2023
At the beginning of the year	420.87	550.00
Addition during the year	559.66	420.87
Utilised during the year	(420.87)	(550.00)
<b>At the end of the year</b>	<b>559.66</b>	<b>420.87</b>

For movements in provisions for employee benefits, refer Note 39.

The Group does not expect any reimbursements in respect of the above provisions.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 21 TRADE PAYABLES

Particulars	As at	
	31 March 2024	31 March 2023
Total outstanding dues of micro enterprise and small enterprises	91.08	29.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,109.57	2,566.18
<b>Total Trade Payables</b>	<b>2,200.65</b>	<b>2,595.53</b>

Trade payables are non-interest bearing and are normally settled on 0 to 30 day terms.

Refer note 35 for information about liquidity risk and market risk of trade payables.

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006

(i) **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises which are also required as per Ind AS Schedule III:**

Information has been determined to the extent such parties have been identified on the basis of information available with the Group:

Particulars	As at	
	31 March 2024	31 March 2023
The amounts remaining unpaid to micro and small enterprise suppliers as at the end of the year		
- Principal	91.08	29.35
- Interest	-	-
The amount of interest paid by the buyer as per MSMED Act, 2006	-	-
The amounts of the payments made to micro and small enterprise suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

(i) **Ageing for trade payable from the due date of payment for each of the category is as follows:**

Trade payables ageing schedule as at 31 March 2024	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	-	68.85	22.25	-	-	-	91.08
Undisputed dues of creditors other than micro enterprises and small enterprises	1,142.59	227.31	706.84	25.88	2.43	3.85	2,108.90
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	0.65	-	-	-	-	0.65
	<b>1,142.59</b>	<b>296.81</b>	<b>729.09</b>	<b>25.88</b>	<b>2.43</b>	<b>3.85</b>	<b>2,200.65</b>
Trade payables ageing schedule as at 31 March 2023	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	-	29.32	-	0.03	-	-	29.35
Undisputed dues of creditors other than micro enterprises and small enterprises	1,268.82	766.32	519.05	8.94	3.05	-	2,566.18
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>1,268.82</b>	<b>795.64</b>	<b>519.05</b>	<b>8.97</b>	<b>3.05</b>	<b>-</b>	<b>2,595.53</b>

#### 22 OTHER FINANCIAL LIABILITIES

Particulars	As at	
	31 March 2024	31 March 2023
<b>Non Current</b>		
Deferred purchase consideration payable	-	233.79
		<b>233.79</b>
<b>Current</b>		
Deferred purchase consideration payable	414.02	351.24
Interest accrued and due on borrowings	-	6.88
Payable to employees	67.34	57.92
Capital creditors	8.41	39.42
<b>Total</b>	<b>489.77</b>	<b>455.46</b>

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

In the year ended 31 March 2022, Imagine Singapore Pte Ltd (subsidiary company) acquired 100% shareholding of Kaha Pte Ltd for consideration of USD 40 million which was payable in installments over a period of 4 years starting February 2022. Out of the total consideration of USD 40.00 million, Imagine Singapore Pte Ltd has paid USD 33.46 million till March 31, 2024 and balance amount of USD 4.96 million is payable in February 2025. The discounted present value of outstanding deferred consideration payable is USD 4.97 million (INR 419.31 million) as at March 31, 2024 is disclosed as deferred purchase consideration mentioned above.

#### 23 OTHER CURRENT LIABILITIES

Particulars	As at	
	31 March 2024	31 March 2023
<b>Current</b>		
Contract liability (Advance received from customers)	55.87	113.29
Statutory dues (includes goods and services tax, tax deducted at source, provident fund, etc.)	45.30	37.98
<b>Total</b>	<b>101.17</b>	<b>151.27</b>

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 24 REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products	31,149.68	33,616.71
Other Operating Income	27.06	151.19
<b>Total Revenue from Operations</b>	<b>31,176.74</b>	<b>33,767.90</b>

#### (i) Reconciliation of Revenue from sale of products with the contracted price:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contracted Price	38,439.23	41,220.23
Less: Returns	(2,632.26)	(2,392.53)
Less: Discounts	(4,657.29)	(5,210.99)
<b>Sale of products</b>	<b>31,149.68</b>	<b>33,616.71</b>

#### (ii) Contract balances:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contract Liabilities (refer note 23)	55.87	113.29

**Note:** Contract liabilities represent advance received from customers for sale of products at the reporting date.

#### (iii) Movement in contract liabilities during the year:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Balance as at beginning of the year	113.29	11.30
Revenue recognised that was included in the contract liability balance at the beginning of the year	(113.29)	(11.30)
Advance received during the year	55.87	113.29
<b>Balance as at end of the year</b>	<b>55.87</b>	<b>113.29</b>

#### (iv) Disaggregation of revenue from contracts with customers:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Based on geographies</b>		
Within India	31,011.73	32,390.26
Outside India (Net of Elimination)	137.95	1,226.45
<b>Total</b>	<b>31,149.68</b>	<b>33,616.71</b>
<b>Based on business segments</b>		
Audio	24,591.99	23,508.31
Wearables	5,502.96	9,015.60
Others	1,054.73	1,092.80
<b>Total</b>	<b>31,149.68</b>	<b>33,616.72</b>

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 25 OTHER INCOME

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest Income		
- From Banks (calculated using the effective interest method for financial assets)	137.26	172.96
- From Others	2.40	1.09
Other non-operating income		
- Fair valuation gain from investments designated at FVTPL (net)*	0.15	0.82
- Provisions no longer required, written back	-	0.24
- Other non-operating income (includes miscellaneous income, etc.)	36.91	88.83
<b>Total</b>	<b>176.72</b>	<b>263.94</b>

\* Fair valuation gain from investments designated at FVTPL includes Rs. Nil (31 March 2023: Rs. 1.7 million) as 'Net gain or loss on sale of investments'.

#### 26 PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchases of stock-in-trade	22,711.25	25,268.96
<b>Total</b>	<b>22,711.25</b>	<b>25,268.96</b>

Note: The above purchase amount is net of high seas sales amounting to Rs. 2,107.86 million (March 31, 2023 Rs. 1,633.88 millions). Same is netted off as the Company is merely acting as an agent in buying raw materials and selling it to the manufacturers in India.

#### 27 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventory at the beginning of the year	4,701.75	5,538.55
Inventory at the end of the year	4,310.06	4,701.75
<b>Total changes in inventories of stock-in-trade</b>	<b>391.69</b>	<b>836.80</b>

#### 28 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	1,146.38	914.28
Contribution to provident fund and other funds	24.78	33.54
Defined benefit plan expenses (refer note 39)	13.82	6.89
Compensated absence	8.65	3.24
Share based payment expense (refer note 40)	111.56	36.22
<b>Total</b>	<b>1,305.19</b>	<b>994.17</b>

#### 29 FINANCE COSTS

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest cost on financial liabilities measured at amortized cost		
- Borrowings from banks	545.33	660.90
- Lease liabilities	24.66	12.92
- Deferred Purchase Consideration	53.52	47.68
Interest cost on others		
- Net defined benefit liability (refer note 39)	0.89	0.46
Other borrowing costs (includes processing charges)	59.29	61.62
<b>Total</b>	<b>683.69</b>	<b>783.58</b>



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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 30 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation for property, plant and equipment	70.60	49.11
Depreciation of right-of-use assets	98.76	66.17
Amortisation of intangible assets	186.50	140.67
<b>Total</b>	<b>355.86</b>	<b>255.95</b>

#### 31 OTHER EXPENSES

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Advertisement and promotion expenses	3,656.87	4,276.45
Freight and transportation charges	622.51	588.86
Warranty expenses	1,445.32	1,343.74
Legal and professional expenses	188.26	251.66
Contract labour charges	143.67	113.71
Payment to auditor	10.75	12.92
Rent expense	12.82	28.64
Rates, fees and taxes	37.74	36.81
Repair and maintenance expense	15.54	9.60
Royalty Expenses	73.88	72.79
Information Technology and Support charges	291.46	185.71
Expenses towards corporate social responsibility	6.70	22.06
Loss on Sale/Disposal of tangible and intangible assets	-	5.16
Provision for loss allowance for trade receivables	(62.23)	252.78
Fair value loss on account of changes in financial liability	8.72	31.23
Provision for doubtful advances	104.26	-
Net loss on account of foreign exchange fluctuation	1.92	-
Miscellaneous expenses	330.03	249.16
<b>Total</b>	<b>6,888.22</b>	<b>7,481.28</b>

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 32 EARNING PER SHARE ('EPS')

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>(Loss)/Profit attributable to equity holders:</b>		
Basic (loss)	(796.84)	(1,294.54)
Add: Fair value loss on account of changes in Financial Liability	8.72	31.23
Adjusted for the effect of dilution	<b>(788.12)</b>	<b>(1,263.31)</b>
<b>Weighted average number of Equity Shares for:</b>		
<b>Basic EPS</b>		
Number of equity shares at the beginning of the year	9,60,96,300	9,60,30,300
Add: Issue of Equity Shares on exercise of employee stock option	50,000	66,000
Number of equity shares outstanding at the end of the year	<b>9,61,46,300</b>	<b>9,60,96,300</b>
Number of instruments completely in the nature of equity at the beginning of the year	5,27,269	5,27,269
Number of equity shares outstanding at the end of the year	<b>5,27,269</b>	<b>5,27,269</b>
Total of equity shares and instruments completely in the nature of equity	<b>9,66,73,569</b>	<b>9,66,23,569</b>
Weighted average number of shares outstanding during the year for Basic EPS	9,66,73,569	9,65,79,065
<b>Diluted EPS</b>		
Weighted average number of shares outstanding during the year for Basic EPS	9,66,73,569	9,65,79,065
Add: Employee stock options outstanding	5,60,643	5,58,660
Add: Instrument classified as financial liabilities (Refer note (b))	1,43,14,251	1,43,14,251
Weighted average number of shares outstanding during the year for Diluted EPS	11,15,48,462	11,14,51,975
<b>(Loss) Per Share (Rs.):</b>		
Basic	(8.24)	(13.40)
Diluted	(7.07)	(11.34)
Diluted (restricted to basic EPS)	(8.24)	(13.40)

(a) For the purpose of computing Basic EPS, equity shares which will be issued upon conversion of Instrument entirely Equity in nature have been considered from the date of their issue.

(b) The number of preference shares to be converted into equity shares is based on the adjustment ratio as mentioned in the SHA dated October 24, 2022.

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

## Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

### 33 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### (i) Contingent Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Contingencies</b>		
Indirect Tax matters (refer note(a) and (b))	435.90	341.98
<b>Claims against the Holding Company not acknowledged as debts</b>		
Dividend on 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each @	0.03	0.02
Dividend on 0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each @	#	#

(a) The Holding Company has received a show cause notice from the Commissioner of Customs (Import) alleging incorrect classification of the product "Bluetooth Headphone". The Company has filed an appeal before Commissioner of Customs (Import) ACC Sahar. The Holding Company believes that the it has a strong case and expects no significant outflow of liability. Hence same has been disclosed as contingent liabilities. The above amount excludes interest and penalty.

(b) The Holding Company has received a show cause notice from the Commissioner of Customs (Import) alleging incorrect classification of the product "Bluetooth Headset and Headphone". The Company has filed an appeal before Commissioner of Customs (Import) JNCH. The Holding Company believes that the it has a strong case and expects no significant outflow of liability. Hence same has been disclosed as contingent liabilities. The above amount excludes interest and penalty.

(c) @ The Holding Company has issued NIL (31 March 2023: 17,269) 0.01% Cumulative Compulsory Convertible preference shares of Rs. 6,000 each which carry a right to preferred cumulative dividend of 0.01% of the par value per annum. As at 31 March 2024, the arrears of preferred cumulative dividend not yet declared by the Holding Company amounts to Rs 33,219 (31 March 2023: Rs. 22,857).

# During the previous year, the Holding Company has issued 0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each which carry a right to preferred cumulative dividend of 0.01% of the par value per annum. As at 31 March 2024, the arrears of preferred cumulative dividend not yet declared by the Holding Company amounts to Rs 1,997 (31 March 2023: Rs. 500).

(d) There are no other contingent liabilities as on 31 March 2024 (31 March 2023: Nil)

#### (ii) Contingent assets

There are no contingent assets as on 31 March 2024 (31 March 2023: Nil)

### 34 COMMITMENTS

Particulars	As at 31 March 2024	As at 31 March 2023
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#### A. Lease commitments

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets, leases with term less than twelve months and variable leases.

Not later than one year	-	1.49
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	1.49

#### B. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)

4.96	44.04
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#### C. Other commitments

Commitments other than capital in nature

1784.43	8,492.47
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There are no commitments which are given outside the Group, Holding Company has given support letter to its Wholly Owned Subsidiary Dive Marketing Private Limited and HOB Ventures Private Limited.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS

##### A. Financial instruments by category and their fair value

The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	Notes	Carrying amount	
		As at 31 March 2024	As at 31 March 2023
<b>FINANCIAL ASSETS</b>			
<b>Financial assets measured at fair value</b>			
Investments measured at			
- Fair value through profit or loss	7	-	8.14
<b>Financial assets measured at amortised cost</b>			
Investments in Associates and Joint venture	6	480.20	295.29
Trade receivables	12	1,507.96	2,758.06
Cash and cash equivalents	13	604.45	1,474.03
Bank balance other than cash and cash equivalents	14	1,935.00	1,930.40
Loans	15	0.04	0.45
Other financial assets	8	206.43	383.08
<b>Total financial assets</b>		<b>4,734.08</b>	<b>6,849.45</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Financial liabilities measured at fair value</b>			
Financial liabilities in relation of CCPS issued during the year	18	5,039.95	5,031.23
<b>Financial liabilities measured at amortised cost</b>			
Borrowings	18	3,561.92	7,329.86
Lease liabilities	19	280.41	188.50
Trade payables	21	2,200.65	2,595.53
Other financial liabilities	22	489.77	689.25
<b>Total financial liabilities</b>		<b>11,572.70</b>	<b>15,834.37</b>

##### B. Fair Value Hierarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

**Level 1:** Quoted prices for identical instruments in an active market;

**Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2024</b>				
<b>Assets at fair value</b>				
Investments in mutual funds	-	-	-	-
Financial liabilities in relation of CCPS issued during the year	-	-	5,039.95	5,039.95
<b>As at 31 March 2023</b>				
<b>Assets at fair value</b>				
Investments in mutual funds	8.14	-	-	8.14
Financial liabilities in relation of CCPS issued during the year	-	-	5,031.23	5,031.23

There have been no transfers between Level 1 and Level 2 during the reporting periods.

##### Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31 March 2023.

##### Financial assets and liabilities measured at fair value as at Balance Sheet date:

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

During the previous year, the Holding Company had issued 0.01% Cumulative Compulsory Convertible preference shares of Rs. 3 each (Series C CCPS) classified as financial liability. The Holding Company has derived the fair value of CCPS with the help of independent valuer. The valuer has used discounted cash flow method to derive the value of the instruments. The Holding Company used level III fair valuation model for fair valuation of CCPS.

##### Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the condensed statement of financial position, as well as the significant unobservable inputs used.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

##### B. Fair Value Hierarchy (continued)

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Compulsory Convertible Preference Shares	For the purpose of determining fair value, the Holding Company has used the Discounted cash flow technique.  • Discounted cash flows technique (DCF): The valuation model considers the present value of expected cash flows, discounted using a risk-adjusted discount rate. The expected cashflows is determined by considering the forecast annual revenue and EBITDA.	• Discounted cash flow (DCF) :  - Forecast annual revenue growth rate  - Forecast Terminal revenue growth rate  -Risk-adjusted discount rate	The estimated fair value would increase (decrease) if:  - the forecast annual revenue growth rate were higher (lower);  - the terminal growth rate were higher (lower);  - the risk adjusted discount rate were lower (higher).

##### Significant unobservable inputs used for Level III fair valuation are as follow:

- Risk-adjusted discount rate	17.09%
- Forecast Terminal revenue growth rate	3.00%
- Forecast annual revenue growth rate	2% to 17%

##### Transfers between Levels in the fair value hierarchy

There have been no transfers between levels in the fair value hierarchy

##### Level 3 fair values

Particulars	Series C CCPS
Balance at the beginning of the period	5,031.23
Issued during the year	-
Unrealised Gain /(losses) recognised in profit or loss	8.72
Balance at the end of the period	5039.95

##### Level 3 fair value sensitivity analysis

Sensitivity analysis: Impact on profit and loss (after tax)	Increase/Decrease	Change by 1%	Impact on Profit and Loss (in)	(Gain)/Loss
- Risk-adjusted discount rate	Increase	1.00%	(70.93)	(Gain)
	Decrease	1.00%	70.93	Loss
- Forecast Terminal revenue growth rate	Increase	1.00%	6.52	Loss
	Decrease	1.00%	(6.52)	(Gain)

##### Other financial assets and liabilities

Fair value of financial assets and liabilities measured at amortised cost (cash and cash equivalents, other bank balance, trade receivables, other financial assets, trade payables, borrowings, lease liabilities and other financial liabilities) is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

##### C. Financial risk management

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Group.

##### (i) Management of Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Group's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

##### Financing arrangement

The Holding Company had access to the following undrawn borrowing facilities at the end of the reporting year:

Particulars	As at 31 March 2024	As at 31 March 2023
Cash credit facilities (includes bank overdraft and working capital facilities)	6,333.31	3,579.36
Other financing arrangements (includes bill discounting, letter of credit, etc.)	1,000.00	340.78
	<b>7,333.31</b>	<b>3,920.15</b>

##### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest receipts / payments and exclude the impact of netting agreements.

Particulars	Note	Discounted Carrying amount	Undiscounted Amount		Total
			Within 1 year	More than 1 year	
<b>As at 31 March 2024</b>					
<b>Financial liabilities (non derivative liabilities)</b>					
Borrowings - Long term	18	5,039.95	-	5,039.95	5,039.95
Borrowings - Short term	18	3,561.92	3,561.92	-	3,561.92
Lease liabilities	19	280.41	101.48	210.66	312.14
Trade payables	21	2,200.65	2,200.65	-	2,200.65
Other financial liabilities	22	489.77	489.77	-	489.77
<b>As at 31 March 2023</b>					
<b>Financial liabilities (non derivative liabilities)</b>					
Borrowings - Long term	18	5,031.23	-	5,031.23	5,031.23
Borrowings - Short term	18	7,329.86	7,329.86	-	7,329.86
Lease liabilities	19	188.50	82.45	145.33	227.78
Trade payables	21	2,595.53	2,595.53	-	2,595.53
Other financial liabilities	22	689.25	689.25	-	689.25

**Note:** For terms and conditions on series C CCPS refer note foot note (viii) to note 18

##### (ii) Management of Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments.

The Group size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk
- price risk
- interest rate risk

##### Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The functional currency of the Holding Company is Indian Rupees and its revenue is generated from operations in India. The Group does not enter into any derivative instruments for trading or speculative purposes. The Holding Company's borrowings are all in Indian rupees.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

##### C. Financial risk management (continued)

##### (ii) Management of Market Risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Payable</b>		
USD		
Amount in foreign currency	1.09	3.16
Amount in INR	90.62	260.14
CNY		
Amount in foreign currency	1.51	5.41
Amount in INR	17.40	64.66
SGD		
Amount in foreign currency	0.05	0.30
Amount in INR	2.96	18.24
<b>Receivables</b>		
USD		
Amount in foreign currency	0.00	0.57
Amount in INR	0.40	47.01
CNY		
Amount in foreign currency	0.46	1.91
Amount in INR	5.32	22.83
SGD		
Amount in foreign currency	0.05	0.39
Amount in INR	3.40	24.17
<b>Cash and cash equivalent</b>		
USD		
Amount in foreign currency	0.37	-
Amount in INR	31.26	-
CNY		
Amount in foreign currency	0.00	4.92
Amount in INR	0.02	58.85
SGD		
Amount in foreign currency	0.11	0.23
Amount in INR	7.03	14.32

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 35 FINANCIAL INSTRUMENTS FAIR VALUE AND RISK MEASUREMENTS (CONTINUED)

##### C. Financial risk management (continued)

The Group is exposed to changes in USD, CNY and SGD. The below table demonstrates the sensitivity to a 5% increase or decrease in the currencies against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Groups at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Particulars		As at 31 March 2024	As at 31 March 2023
5% strengthening of INR compared to USD	Profit or (Loss)	4.51	10.66
5% strengthening of USD compared to INR	Profit or (Loss)	(4.51)	(10.66)
5% strengthening of INR compared to USD	Equity (net of tax)	3.38	7.97
5% strengthening of USD compared to INR	Equity (net of tax)	(3.38)	(7.97)
5% strengthening of INR compared to CNY	Profit or (Loss)	0.60	(0.85)
5% strengthening of CNY compared to INR	Profit or (Loss)	(0.60)	0.85
5% strengthening of INR compared to CNY	Equity (net of tax)	0.45	(0.64)
5% strengthening of CNY compared to INR	Equity (net of tax)	(0.45)	0.64
5% strengthening of INR compared to SGD	Profit or (Loss)	(0.37)	(1.01)
5% strengthening of SGD compared to INR	Profit or (Loss)	0.37	1.01
5% strengthening of INR compared to SGD	Equity (net of tax)	(0.28)	(0.76)
5% strengthening of SGD compared to INR	Equity (net of tax)	0.28	0.76

##### Price risk

The Holding Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. The Group has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds.

The carrying amounts of the Holding Company's investment in mutual funds are as follows:

Particulars		As at 31 March 2024	As at 31 March 2023
Investments in mutual funds		-	8.14
<u>Sensitivity analysis:</u>			
1% increase in prices	Profit or (Loss)	-	0.08
1% decrease in prices	Profit or (Loss)	-	(0.08)
1% increase in prices	Equity (net of tax)	-	0.06
1% decrease in prices	Equity (net of tax)	-	(0.06)

##### Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Holding Company's portfolio of borrowings comprise of variable rate loans which are monitored continuously in the light of market conditions. The group does not have any fixed rates loans

The Holding Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss except for series C CCPS classified as financial liabilities and the Holding Company does not have any designated derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

##### Fixed-rate instruments

	As at 31 March 2024	As at 31 March 2023
Financial assets (fixed deposits, security deposits and interest accrued on deposits)	2,700.28	3,790.85
Financial liabilities	5,039.95	5,031.23

##### Variable rate instruments

Financial assets	-	-
Financial liabilities	3,561.92	7,329.86

Particulars		As at 31 March 2024	As at 31 March 2023
<u>Sensitivity analysis:</u>			
100 bps increase	Profit or (Loss)	(35.62)	(73.30)
100 bps decrease	Profit or (Loss)	35.62	73.30
100 bps increase	Equity (net of tax)	(26.65)	(54.85)
100 bps decrease	Equity (net of tax)	26.65	54.85



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

### **Notes to the Consolidated Financial Statements for the year ended 31 March 2024**

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

#### **(iii) Management of Credit Risk**

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Group. The potential activities where credit risks may arise include from cash and cash equivalents and security deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Group along with relevant mitigation procedures adopted have been enumerated below:

##### **Trade receivables**

The Group's exposure to credit risk is that the Group has major business dealings with few parties to whom sales are made on credit basis. The Group's majority customer base are e-commerce marketplace players. Since the sales are as per contract, the Group's exposure to credit risk is influenced by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base including the default risk associated with the industry.

The Group provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The Group uses simplified approach to identify the credit risk. For customers outstanding more than 365 days, the Group provides for 100% outstanding receivables. For receivables outstanding for less than 365 days, the Group evaluates the credit risk based on case to case basis and makes provision if required.

The Group has considered an assessment of past history and has taken into account various factors including future forecast conditions for determination of allowance for expected credit loss.

Refer to note 12 (iv) for ageing for trade receivables from the due date of payment.

The Group does not have any impaired trade receivable as on March 31, 2024

##### **Other financial assets**

The Group maintains exposure in cash and cash equivalents, term deposits with banks and other financial assets. The Group has set counter-party limits based on multiple factors including financial position, credit rating, etc. The Group's maximum exposure to credit risk as at 31 March 2024 and 31 March 2023 is the carrying value of each class of financial assets.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 36 CAPITAL MANAGEMENT

The Group defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group (which is the Group's net asset value). The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio was as follows.

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings (refer note 18) (refer note b below)	8,601.87	12,367.97
Lease liabilities (refer note 19)	280.41	188.50
Total debt liabilities	8,882.28	12,556.47
Less : Cash and bank balances (refer note 13)	(604.45)	(1,474.03)
Less : Bank balance other than cash and cash equivalents (refer note 14)	(1,935.00)	(1,930.40)
Less : Bank deposits with remaining maturity more than 1 year (refer note 8)	-	(215.00)
Less : Bank deposits with remaining maturity less than 1 year (refer note 8)	(135.00)	-
Less : Financial Liability in relation to CCPS (refer note 18)	(5,039.95)	(5,031.23)
Adjusted net debt	1,167.88	3,905.81
Total equity	4,072.88	4,691.64
Add : Financial Liability in relation to CCPS if classified as instruments entirely in equity in nature	5,039.95	5,031.23
Total adjusted equity	9,112.83	9,722.87
Adjusted net debt to adjusted equity ratio	1.52	0.83
Debt equity considering only borrowings as debt	0.13	0.40

**Note:**

- a. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.
- b. Borrowings include financial liability in relation to CCPS issued during the previous year which is classified as financial liability as per Ind AS.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 37 RELATED PARTY DISCLOSURES

##### A. Names of the related parties of the Group

<b>Entity having significant influence</b>	South Lake Investment Ltd (with effect from 5 January 2021)
<b>Associate company</b>	Sirena Labs Private Limited (with effect from 5 November 2019 upto 3 June 2022) Kimirica Lifestyles Private Limited
<b>Joint Venture</b>	Califonix Tech and Manufacturing Private Limited (with effect from 27 April 2022 )
<b>Key management personnel (KMP)</b>	Mr. Aman Gupta - Director Mr. Sameer Mehta - Director (Chief Executive Officer with effect from 4 May 2023) Mr. Anish Saraf - Director Mr. Vikram Chogle - Director (with effect from 5 January 2021 upto 19 January 2022) Mr. Aashish Kamat - Independent Director Mr. Anand Ramamoorthy - Independent Director Mr. Deven Waghani - Independent Director Ms. Purvi Sheth - Independent Director Mr. Vivek Gambhir - Chief Executive Officer (with effect from 9 February 2021 upto 4 May 2023) currently non executive director of the Holding Company Mr. Ankur Sharma - Chief Financial Officer (upto 12 December 2023) Mr. Rakesh Thakur - Chief Financial Officer (with effect from 12 December 2023) Ms. Dhara Joshi - Company Secretary (upto 5 May 2022) Mr. Mukesh Ranga - Company Secretary (with effect from 5 May 2022, upto 13 October 2023) Mr. Shreekant Sawant - Company Secretary (with effect from 11 April 2024)
<b>Entities in which KMP have significant influence</b>	Redwood Interactive (Partnership firm, were one of the Director is intrested)

##### B. Disclosure of transactions between the Group and related parties

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Purchase of goods</b>		
Califonix Tech and Manufacturing Private Limited	4,006.40	-
<b>Reimbursement of expenses paid</b>		
Mr. Aman Gupta	0.39	1.11
Mr. Sameer Mehta	0.01	0.14
Mr. Ankur Sharma	0.08	-
Mr. Vivek Gambhir	0.23	1.16
Mr. Anand Ramamoorthy	0.03	-
Mr. Mukesh Ranga	0.00	-
Mr. Rakesh Thakur	0.20	-
<b>Contribution paid towards equity share capital</b>		
Califonix Tech and Manufacturing Private Limited	165.00	50.50
<b>Issue of Preference Shares including share premium</b>		
South Lake Investment Ltd	-	4,000.00
<b>Advance against supply of goods given during the year</b>		
Califonix Tech and Manufacturing Private Limited	3,760.09	-
<b>Sale of Property Plant and Equipment</b>		
Califonix Tech and Manufacturing Private Limited	78.91	-
<b>Directors Sitting Fees</b>		
Mr. Aashish Kamat	0.48	0.80
Ms. Purvi Sheth	0.53	0.80
Mr. Deven Waghani	0.15	0.63
Mr. Anand Ramamoorthy	0.40	1.00
Mr. Vivek Gambhir	0.35	-
<b>Commission to Directors</b>		
Mr. Aashish Kamat	1.50	1.50
Mr. Anand Ramamoorthy	1.50	1.50
Mr. Deven Waghani	1.50	1.50
Ms. Purvi Sheth	1.50	1.50

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 37 RELATED PARTY DISCLOSURES (CONTINUED)

##### B. Disclosure of transactions between the Group and related parties (continued)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Remuneration to Key management personnel</b>		
Mr. Aman Gupta	25.00	25.00
Mr. Sameer Mehta	25.00	25.00
Mr. Vivek Gambhir	19.16	29.57
Mr. Ankur Sharma	14.85	13.22
Ms. Dhara Joshi	-	0.24
Mr. Mukesh Ranga	0.92	1.46
Mr. Rakesh Thakur	8.58	-
<b>Share based payments expense</b>		
Mr. Rakesh Thakur	0.96	-
Mr. Ankur Sharma	-	3.27

##### C. Status of outstanding balances

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Advance to vendor</b>		
Califonix Tech and Manufacturing Private Limited	149.49	-
<b>Reimbursement of expenses payable</b>		
Mr. Aman Gupta	-	0.09
<b>Commission to Directors Payable</b>		
Mr. Aashish Kamat	3.00	1.50
Mr. Anand Ramamoorthy	3.00	1.50
Mr. Deven Waghani	3.00	1.50
Ms. Purvi Sheth	3.00	1.50

##### D. Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured.

There have been no guarantees provided or received for any related party receivables or payables.

##### E. Payment of Managerial Remuneration

Managerial remuneration to the executive directors was in accordance with the terms of appointment and remuneration as approved by the shareholders by special resolutions passed at the 9th Annual General Meeting (AGM) held on December 23, 2022. However, during the previous year ended 31st March 2023, the Holding Company has paid remuneration to its executive directors and provided for commission to its independent directors which is in excess of the limits provided under section 197 read with Schedule V to the Act by Rs. 85.57 million. During the current year, the Holding Company has obtained reapprovals from the Members of the Holding Company under section 197(10) by way of special resolutions in the 10th Annual General Meeting for the excess remuneration paid/provided. Further, for the year ended March 31, 2024, the Holding Company has obtained approval for excess remuneration to the executive directors in excess of the limits provided under section 197 read with schedule V to the Act by way of special resolution in the 10th Annual General Meeting and accordingly the Holding Company is in compliance with the provisions of section 197 of the Act.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 38 SEGMENT INFORMATION

##### Business Segments

The Group has determined following reporting segments based on the information reviewed by the Group's Chief Operating Decision Maker ('CODM'):

- (i) Audio includes wired earphone, wireless earphone, wired headphone, wireless headphone, wireless speakers and soundbar.
- (ii) Wearables include smart watches.
- (iii) Others includes cables, charges, mens grooming kit and gaming equipments.

The above business segments have been identified considering:

- (i) the nature of products
- (ii) the differing risks and returns
- (iii) the internal organisation and management structure, and
- (iv) the internal financial reporting systems

The Chief Executive Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM.

Segment Results are arrived at based on segment revenues less direct and allocable cost associated with the segment.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue</b>		
<b>External revenue</b>		
Audio	24,591.99	23,508.31
Wearables	5,502.96	9,015.60
Others	1,054.73	1,092.80
	<b>31,149.68</b>	<b>33,616.71</b>
<b>Inter segment</b>		
Audio	-	-
Wearables	-	-
Others	-	-
	-	-
<b>Total</b>		
Audio	24,591.99	23,508.31
Wearables	5,502.96	9,015.60
Others	1,054.73	1,092.80
	<b>31,149.68</b>	<b>33,616.71</b>
<b>Result</b>		
Audio	2,287.40	1,401.10
Wearables	(2,035.65)	(954.72)
Others	4.61	(405.32)
	<b>256.36</b>	<b>41.06</b>
<b>Segment Results</b>		
Un-allocated expenses net of un-allocated income	(330.19)	(733.24)
Interest income	139.66	174.05
Interest cost	(683.69)	(783.58)
Fair value loss on account of changes in financial liabilities	(8.72)	(31.23)
Depreciation and amortisation	(355.86)	(255.95)
	<b>(982.44)</b>	<b>(1,588.89)</b>
Less: Share of Loss (Associates)	19.91	(48.22)
	<b>(962.53)</b>	<b>(1,637.12)</b>
<b>(Loss) before tax for the year</b>		
Tax expense		
Current tax	6.84	6.40
Deferred tax	(172.53)	(348.98)
	<b>(165.69)</b>	<b>(342.58)</b>
<b>(Loss) for the year</b>	<b>(796.84)</b>	<b>(1,294.54)</b>

#### B. Other Information

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Segment Assets</b>		
Audio	4,846.64	4,436.11
Wearables	4,924.16	2,732.28
Others	372.20	806.40
Total segment assets	10,143.00	7,974.79
Unallocated corporate assets	6,912.27	13,549.31
<b>Total assets</b>	<b>17,055.27</b>	<b>21,524.10</b>
<b>Segment Liabilities</b>		
Audio	2,500.46	1,763.15
Wearables	1,015.75	1,582.85
Others	112.72	136.70
Total segment liabilities	3,628.93	3,482.70
Unallocated corporate liabilities	9,353.46	13,349.76
<b>Total liabilities</b>	<b>12,982.39</b>	<b>16,832.46</b>

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 38 SEGMENT INFORMATION (CONTINUED)

##### B. Other Information (continued)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Capital expenditure</b>		
Audio	94.77	112.61
Wearables	25.06	139.53
Others	4.31	6.21
Unallocated	482.44	348.22
<b>Depreciation/Amortisation</b>		
Audio	5.58	20.72
Wearables	113.76	138.90
Others	8.26	1.14
Unallocated	129.50	29.02
<b>Non-cash expenses other than depreciation</b>		
Audio	-	-
Wearables	-	-
Others	-	-
Unallocated	816.85	644.04

##### C. Additional information by geographies

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue by Geographical Market</b>		
India	31,011.73	32,549.01
Outside India	137.95	1,067.70
	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
<b>Carrying Amount of Segment Assets</b>		
India	6,879.72	7,656.31
Outside India	3,263.28	318.48
<b>Non-current assets *</b>		
India	4,067.71	3,897.99
Outside India	17.44	16.62

\* Non-current assets excludes financial instruments and deferred tax assets.

##### D. Revenue from major customers

The Company earns revenue from few of its major customers which individually amounts to 10 per cent or more of the Company's revenues. Details of such customers (i.e. the total amount of revenues from each such customer) are disclosed below. Revenue from such customers are reported under all the segments of the Group.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Customer 1	13,334.70	11,208.93
Customer 2	9,134.91	10,328.34

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 39 EMPLOYEE BENEFIT PLANS

##### A. Defined Contribution Plan

Amount incurred and paid towards contribution to provident fund, Labour Welfare Fund and employees' state insurance corporation is recognised as an expense and included in employee benefit expense:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contribution to provident fund and other funds	24.78	33.54

##### B. Defined Benefit Plan

###### (i) Description of Plan

Retirement Benefit Plan of the Holding Company include Gratuity. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service with maximum ceiling as per the Holding Companies policies. Gratuity plan is unfunded.

###### (ii) Balance Sheet

The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at 31 March 2024	As at 31 March 2023
Fair value of plan assets	-	-
Present value of obligations	(22.76)	(18.21)
<b>(Liability) recognised in balance sheet</b>	<b>(22.76)</b>	<b>(18.21)</b>

Movements in Present Value of Obligation:

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit obligation at the commencement of the year	(18.21)	11.90
Current service cost	5.74	6.49
Past service cost	-	0.46
Interest cost	1.29	0.40
Taken over pursuant to business combination	-	-
Actuarial losses / (gains)	(4.32)	(0.47)
Benefits paid	(1.07)	(0.57)
<b>Defined benefit obligation at the end of the year</b>	<b>(16.57)</b>	<b>18.21</b>
Provision for gratuity (under Non-Current provisions) (Refer note 20)	21.14	17.10
Provision for gratuity (under Current provisions) (Refer note 20)	1.62	1.11
	<b>22.76</b>	<b>18.21</b>

###### (iii) Standalone statement of profit and loss

The charge to the Standalone statement of profit and loss comprises:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Employee Benefit Expenses:</b>		
Current service cost	5.74	6.49
Past service cost	-	0.40
	<b>5.74</b>	<b>6.89</b>
<b>Finance costs:</b>		
Interest cost	1.29	0.46
Interest income	-	-
	<b>1.29</b>	<b>0.46</b>
<b>Net impact on profit (before tax)</b>	<b>7.03</b>	<b>7.35</b>
<b>Remeasurement of the net defined benefit plans:</b>		
Actuarial (gains)/losses arising from changes in financial assumptions	0.26	(0.34)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from experience adjustments	(2.06)	0.18
<b>Net impact on other comprehensive income (before tax)</b>	<b>(1.80)</b>	<b>(0.16)</b>

###### (iv) Assumptions

With the objective of presenting the plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Financial Assumptions</b>		
Discount rate (per annum)	7.20%-7.27%	7.31%-7.50%
Salary Escalation Rate (per annum)	7.00%-10.00%	7.00%-10.00%

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds, which is consistent with the estimated terms of the obligation.

39 EMPLOYEE BENEFIT PLANS (CONTINUED)

(iv) Assumptions (continued)

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Particulars		As at 31 March 2024	As at 31 March 2023
<b>Demographic Assumptions</b>	Age		
Withdrawal Rate	25 and below	24.00%	10.00%
	25 to 35	24.00%	8.00%
	35 to 45	24.00%	6.00%
	45 to 55	24.00%	4.00%
	55 and above	24.00%	2.00%
Mortality Rate		Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult

(v) Sensitivity Analysis

The sensitivity of the overall plan obligations for Holding Company to changes in the weighted key assumptions are:

Particulars			As at 31 March 2024	As at 31 March 2023
Discount rate (per annum)	Increase	0.50%	(16.36)	(11.37)
	Decrease	0.50%	17.17	12.71
Salary escalation rate (per annum)	Increase	0.50%	17.10	12.40
	Decrease	0.50%	(16.41)	(11.56)
Withdrawal Rate	Increase	W.R. x 110%	(15.91)	(12.03)
	Decrease	W.R. x 90%	17.62	11.96

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous years.

(vi) Weighted average duration of the defined benefit plan:

Particulars	As at 31 March 2024	As at 31 March 2023
Gratuity plan	4.11	12.38

(vii) Expected future cash flows in respect of gratuity:

Particulars	As at 31 March 2024	As at 31 March 2023
Less than a year	1.03	0.16
Between 2-5 years	10.80	2.96
More than 5 years	9.01	6.23

C. Compensated absences

Particulars	As at 31 March 2024	As at 31 March 2023
Expense towards compensated absences included in Employee Benefit expenses	8.65	3.24

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for compensated absences	24.46	20.02



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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 40 SHARE BASED PAYMENTS

##### Equity Settled Share Based Payments

##### Employees Stock Option Plan 2019 ('ESOP 2019')

The ESOP 2019 had been formulated by the Board of Directors of the Holding Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 15 November 2019 and subsequently amended on 25 March 2021. The ESOP 2019 entitles eligible employees to purchase shares in the Holding Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2019, holders of vested options are entitled to purchase an equity share for every option at an exercise price as stated in the grant letter.

##### Management Stock Option Plan 2021 ('ESOP 2021')

The ESOP 2021 has been formulated by the Board of Directors of the Holding Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 25 March 2021. The ESOP 2021 entitles eligible employees to purchase shares in the Holding Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2021, holders of vested options are entitled to purchase on equity share for every option at an exercise price as stated in the grant letter.

##### Employees Stock Option Plan 2023 ('ESOP 2023')

The ESOP 2023 has been formulated by the Board of Directors of the Company pursuant to the resolution passed in Extra Ordinary General Meeting held on 3 September 2023. The ESOP 2023 entitles eligible employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. As per the ESOP 2023, holders of vested options are entitled to purchase on equity share for every option at an exercise price as stated in the grant letter.

Plan	Employee	Vesting Conditions	Contractual life of options
ESOP 2019	Eligible Employees	Continued employment with Holding Company	4 years
ESOP 2021	Eligible Employees	Continued employment with Holding Company	4 years
ESOP 2023	Eligible Employees	Continued employment with Holding Company	4 years

Scheme	Year	Date of Grant	Numbers of options granted		Exercise Period	Exercise Price (Rs.) per share (refer note below)	Weighted Average Exercise Price (Rs.) per share
				Vesting Conditions			
ESOP 2019	2020	16 November 2019	256	Graded vesting over 4 years from grant date	7 years from date of vesting	30.27	30.27
	2021	15 November 2020	453	Graded vesting over 4 years from grant date	7 years from date of vesting	30.27	30.27
	2021	25 March 2021	50	Graded vesting over 4 years from grant date	7 years from date of vesting	30.27	30.27
	2022	25 October 2021	14,33,500	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2022	25 October 2021	30,000	Vesting over 1 years from grant date	7 years from date of vesting	141.88	141.88
	2022	2 December 2021	14,250	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2022	1 February 2022	4,10,000	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2022	29 March 2022	5,37,400	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2023	24 June 2022	60,000	Graded vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2023	24 June 2022	1,20,517	Graded vesting over 4 years from grant date	7 years from date of vesting	450.00	450.00
	2023	21 December 2022	8,75,000	Graded vesting over 4 years from grant date	7 years from date of vesting	218.00	218.00
	2023	21 December 2022	1,50,000	Graded vesting over 4 years from grant date	7 years from date of vesting	300.00	300.00
	2023	21 December 2022	3,03,042	Graded vesting over 4 years from grant date	7 years from date of vesting	450.00	450.00
	2023	30 January 2023	1,32,443	Graded vesting over 4 years from grant date	7 years from date of vesting	450.00	450.00
	2024	04 May 2023	66,000	Graded vesting over 4 years from grant date	7 years from date of vesting	450.00	450.00
2024	04 May 2023	13,300	Graded vesting over 4 years from grant date	7 years from date of vesting	300.00	300.00	
2024	04 May 2023	60,000	Graded vesting over 4 years from grant date	7 years from date of vesting	250.00	250.00	
ESOP 2021	2021 - 1	13 April 2021	2,062	Grade vesting over 4 years from grant date	7 years from date of vesting	141.88	141.88
	2021 - 2	13 April 2021	687	4 years from grant date	7 years from date of vesting	141.88	141.88
ESOP 2023	2024	15 October 2023	1,39,327	Grade vesting over 4 years from grant date	As per the scheme	450.00	450.00
	2024	15 January 2024	15,000	Grade vesting over 4 years from grant date	As per the scheme	450.00	450.00

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

**Note:**

- (i) The original exercise price for the shares granted under the ESOP 2019 on 16 November 2019, 15 November 2020 and 25 March 2021 was Rs. 60,532 per share. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Holding Company adjusted the exercise price for ESOPs under the ESOP 2019 Plan in accordance with their terms of issuance as set out in the ESOP 2019 and the exercise price was amended from Rs. 60,532 to Rs. 302.66. Further on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share resulting in adjustment of exercise price from Rs. 302.66 to Rs 30.27.
- (ii) The original exercise price for the shares granted under the ESOP 2021 on 13 April 2021 was Rs. 283,749 per share. Pursuant to the Corporate Event being issuance of Bonus Equity Shares and Bonus Series A CCPS, the Holding Company adjusted the exercise price for ESOPs under the ESOP 2021 in accordance with their terms of issuance as set out in the ESOP 2021 and the amended from Rs. 283,749 to Rs. 1,418.75. Further on December 15, 2021 the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share resulting in adjustment of exercise price from Rs. 1,418.75 to Rs 141.88.
- (iii) The original exercise price for the shares granted under the ESOP 2019 on 25 October 2021 and 02 December 2021 was Rs. 1,418.745 per share. Pursuant to the Corporate Event on 15 December 2021, the face value of the equity shares was sub-divided from Rs. 10 per equity share to Re. 1 per equity share, the Holding Company adjusted the exercise price for ESOPs under the ESOP 2019 in accordance with their terms of issuance as set out in the ESOP 2019 and the amended from Rs. 1,418.75 to Rs. 141.88.

#### 40 SHARE BASED PAYMENTS (CONTINUED)

Scheme	Year	For the year ended	Number of Share Options				
			Outstanding at the beginning of the year	Granted during the year*	Forfeited/Expired during the year	Exercised during the year	Outstanding at the end of the year
ESOP 2019	2019	31 March 2021	256	-	(15)	-	241
		31 March 2022	241	4,81,759	(1,10,000)	(1,96,500)	1,75,500
		31 March 2023	1,75,500	-	(52,000)	(54,500)	69,000
		31 March 2024	69,000	-	(4,000)	-	65,000
	2021	31 March 2021	-	453	-	-	453
		31 March 2022	453	9,05,547	(3,08,000)	(1,20,300)	4,77,700
		31 March 2023	4,77,700	-	(61,500)	-	4,16,200
		31 March 2024	4,16,200	-	(35,000)	-	3,81,200
	2021	31 March 2021	-	50	-	-	50
		31 March 2022	50	99,950	-	-	1,00,000
		31 March 2023	1,00,000	-	-	-	1,00,000
		31 March 2024	1,00,000	-	-	-	1,00,000
	2022	31 March 2022	-	24,25,150	(42,000)	-	23,83,150
		31 March 2023	23,83,150	-	(3,79,500)	(11,500)	19,92,150
		31 March 2024	19,92,150	-	(3,72,820)	-	16,19,330
2023	31 March 2023	-	16,41,002	(15,700)	-	16,25,302	
	31 March 2024	16,25,302	-	(42,296)	-	15,83,006	
2024	31 March 2024	-	1,39,300	(61,111)	-	78,189	
ESOP 2021	2021 - 1	31 March 2021	-	2,062	-	-	2,062
		31 March 2022	2,062	41,21,938	-	-	41,24,000
		31 March 2023	41,24,000	-	(20,60,000)	-	20,64,000
		31 March 2024	20,64,000	-	-	(50,000)	20,14,000
	2021 - 2	31 March 2021	-	687	-	-	687
		31 March 2022	687	13,73,313	-	-	13,74,000
		31 March 2023	13,74,000	-	(13,74,000)	-	-
		31 March 2024	-	-	-	-	-
ESOP 2023	2024	31 March 2024	-	1,54,327	(1,991)	-	1,52,336

\* Granted during the previous year includes additional options granted upon issuance of bonus shares to existing shareholders and share split from Rs. 10 each to Re. 1 each (refer note 16(f))

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Weighted average equity share price at the date of exercise of options during the year	353.88	348.24
Weighted average remaining contractual life of options (years) as at the end of the year	6.77	8.45

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Risk-free interest rate (%)	7.01% to 7.33%	7.14% to 7.44%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	4 to 5.5 years	4 to 5.5 years
Expected volatility (%)	22.17% to 22.18%	15.42% to 22.85%
Dividend yield	0.00%	0.00%

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date.

#### Effect of share based payment transactions on the Holding Company's statement of profit and loss:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Equity settled share based payments	111.56	36.22
<b>Total expense recognized under "Employee benefits expense" (Note 31)</b>	<b>111.56</b>	<b>36.22</b>

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

### **Notes to the Consolidated Financial Statements for the year ended 31 March 2024**

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

#### **41 INVESTMENT IN SIRENA LABS PRIVATE LIMITED**

The Holding Company had invested Rs. 50 million in Sirena Labs Private Limited ("SLPL") on 5 November 2019 pursuant to which 3,703 equity shares of Rs. 10 each of SLPL were issued to the Holding Company which accounted for 27% share by the Company in SLPL.

During the year ended 31 March 2021, on account of non-payment of dues by SLPL, the Holding Company initiated a legal dispute against the management of SLPL. As a result, the entire carrying value of the Holding Company's investment in SLPL including receivables was provided for.

During the year ended 31 March 2023, the Holding Company vide agreement dated 31 May 2022 has paid Rs. 1 million as part of full and final settlement and has written off balance amount outstanding from Sirena.

Further, SLPL ceases to be an associate company w.e.f June 3, 2022.

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 42 BUSINESS COMBINATION

During the year ended 31 March 2022, the Holding Company has acquired control of KaHa Group. Prior to acquisition, the KaHa Group comprised of Kaha PTE Limited ("Kaha Pte") headquartered in Singapore and its subsidiaries, KaHa Technology (ShenZhen) Co. Limited ("Kaha China") and KaHa Technologies Private Limited ("KaHa India"). For purpose of acquisition of the KaHa Group, the Holding Company entered into separate shareholders agreements to acquire shares in Kaha PTE Limited and KaHa Technologies Private Limited.

- A Imagine Marketing Singapore Pte. Ltd (Imagine Singapore), one of the wholly owned subsidiaries of the Holding Company acquired on 10 February 2022, 100% stake in Kaha PTE Limited ("Kaha Pte") and consequently indirect control of its wholly owned subsidiary KaHa Technology (ShenZhen) Co. Limited ("Kaha China") for a cash consideration of US\$ 40 million equivalent to Rs. 2,992.00 millions (Present Value Rs. 2,833.04 million) to be paid in a staggered manner over a period of 3 years. As per the terms and conditions of the Share Purchase Agreement between Imagine Singapore and Kaha Pte., post completion of the aforesaid acquisition, "Kaha Pte" and "Kaha China" has become wholly owned subsidiary and step down subsidiary respectively of Imagine Singapore.

Upon acquisition of Kaha Pte and its subsidiary, which is in the business to develop, design and trade in Smart watches, this will enable the Group to accelerate its journey in smart watch segment through building scalable digital-first brands, either organically or inorganically.

The fair values of identifiable assets and liabilities acquired have been determined by the Holding Company and accounted for in accordance with Ind AS 103 - Business Combination as at the date of acquisition as follows:

Particulars	Amount in Rs. million
<b>Assets</b>	
<b>Non-current assets</b>	
Property, Plant and equipment	1.77
Right to use assets	8.85
Intangible assets - Patents and Trademarks	986.48
Intangible assets - software	80.74
Intangible Assets under development	63.31
<b>Total</b>	<b>1,141.15</b>
<b>Current assets</b>	
Inventories	27.28
Trade Receivables	27.54
Other Current Assets	153.25
Cash and Bank Balance	198.71
<b>Total</b>	<b>406.78</b>
<b>Fair value of assets acquired</b>	<b>1,547.93</b>
<b>Liabilities</b>	
Trade payables and Other payables	283.85
Other Current Liabilities	1.24
Lease Liability	9.33
<b>Fair value of liabilities acquired</b>	<b>294.42</b>
<b>Deferred tax on acquisition</b>	<b>166.89</b>
<b>Total identifiable net assets acquired</b>	<b>1,086.62</b>
<b>Particulars</b>	<b>Amount in Rs. million</b>
<b>Consideration Paid</b>	2,831.95
<b>Less: identifiable net assets acquired</b>	1,086.62
<b>Goodwill</b>	<b>1,745.33</b>

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 42 BUSINESS COMBINATION (continued)

**B** The Holding Company acquired 100% stake in Kaha Technologies Private Limited on 02 February 2022 for a cash consideration of Rs. 77.25 millions as per the terms and conditions of the Share Purchase Agreement thereof entered between the Company and Kaha Technologies Private Limited. Post completion of the aforesaid acquisition, "Kaha Technologies Private Limited" has become wholly owned subsidiary of the Holding Company. This subsidiary, which is in the business to develop, design software used in Smart watches will enable the Group to accelerate its journey in smart watch segment.

The fair values of identifiable assets and liabilities acquired have been determined by the Company and accounted for in accordance with Ind AS 103 - Business Combination as at the date of acquisition as follows:

Particulars	Amount in Rs. million
<b>Assets</b>	
<b>Non-current assets</b>	
Property, Plant and equipment	1.60
Intangible assets - software	0.02
<b>Total</b>	<u>1.62</u>
<b>Current assets</b>	
Trade Receivables	32.61
Other Current Assets	4.99
Cash and Bank Balance	10.73
Deferred tax assets (net)	2.81
Other Financial Assets	1.13
<b>Total</b>	<u>52.27</u>
<b>Fair value of assets acquired</b>	<u>53.89</u>
<b>Liabilities</b>	
Trade payables and Other payables	6.44
Other Current Liabilities	1.61
Provisions	7.11
<b>Fair value of liabilities acquired</b>	<u>15.16</u>
<b>Total identifiable net assets acquired</b>	<u>38.73</u>
<b>Particulars</b>	<b>Amount in Rs. million</b>
<b>Consideration Paid</b>	77.25
<b>Less: identifiable net assets acquired</b>	38.73
<b>Goodwill</b>	<u>38.52</u>

#### Disclosure of Revenue and Profit for KaHa Group for previous reporting period

	Revenue	Net Loss
i. Since the acquisition date	90.04	(43.62)

The Group incurred acquisition related cost of Rs 39.85 million on legal fees. These costs have been included in "Legal and professional expenses"

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 42 BUSINESS COMBINATION (continued)

C In the year ended 31 March 2022, HOB Ventures Private Limited, a subsidiary in the Group, acquired 33.33% stake by way of investment in equity shares and non cumulative compulsory convertible preference shares (on fully diluted basis in Kimirica Lifestyle Private Limited (Kimirica) on 23 February 2022 for a cash consideration of Rs. 300.01 million as per the terms and conditions of the Share Purchase Agreement thereof. The Company is in the business of manufacturing & Selling of Personal & beauty care products.

Total Value of Tangible Assets of Kimirica Lifestyle Private Limited is Rs 15.64 million. Further, the Kimirica owns certain brands (intangible assets), the fair value of which has been determined to be Rs. 415.32 million and useful life is estimated as 10 years. The details of investments are as follows:

Investee Company	Date	Nature of Investment
Kimirica Lifestyle Private Limited	23 February 2022	476 Equity shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up
	23 February 2022	4286, 0.01% Non Cumulative Compulsory Convertible Preference Shares of Kimirica Lifestyle Private Limited (Associate company) having face value Rs 10 each, fully paid up

#### Summary of standalone financial information relating to Kimirica as on 23rd February 2022

Particulars	Amount in million (Rs.)
Ownership interest	33.33%
Total non-current assets	482.16
Total current assets	264.20
<b>Total assets</b>	<b>746.37</b>
Total non-current liabilities	46.41
Total current liabilities	36.69
<b>Total liabilities</b>	<b>83.10</b>
Revenue post date of stake acquisition	7.40
Net loss post date of stake acquisition	14.07
Other comprehensive income post date of stake acquisition	-

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 43 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

Name of the Entity	As at 31 March 2024		For the year ended 31 March 2024					
	Net Assets (Total Assets - Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Imagine Marketing Limited	115.78%	4,715.45	67.26%	(535.95)	-5.61%	2.97	62.72%	(532.98)
<b>Subsidiary</b>								
<b>Indian</b>								
Dive Marketing Private Limited *	-0.51%	(20.80)	1.10%	(8.79)	0.00%	-	1.03%	(8.79)
HOB Ventures Private Limited @	7.45%	303.26	0.11%	(0.88)	0.00%	-	0.10%	(0.88)
Kaha Technologies Private Limited	1.74%	70.89	-2.15%	17.15	-0.49%	0.26	-2.05%	17.41
<b>Foreign</b>								
Imagine Marketing Singapore Pte Ltd #	67.76%	2,759.60	6.83%	(54.44)	0.00%	-	6.41%	(54.44)
Kaha Pte Ltd ^	-0.88%	(35.76)	15.48%	(123.38)	0.00%	-	14.52%	(123.38)
<b>Associate (Investment as per Equity Method)</b>								
<b>Indian</b>								
Sirena Labs Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Kimirica Lifestyles Private Limited **	5.40%	219.99	0.00%	-	-0.15%	0.08	-0.01%	0.08
Califonix Tech and Manufacturing Private Limited (JV)	6.39%	260.21	0.00%	-	3.37%	(1.79)	0.21%	(1.79)
Inter-company eliminations and consolidation adjustments	-103.12%	(4,199.97)	11.36%	(90.54)	102.87%	(54.50)	17.07%	(145.04)
<b>Total</b>	<b>100.00%</b>	<b>4,072.88</b>	<b>100.00%</b>	<b>(796.84)</b>	<b>100.00%</b>	<b>(52.97)</b>	<b>100.00%</b>	<b>(849.81)</b>

Name of the Entity	As at 31 March 2023		For the year ended 31 March 2023					
	Net Assets (Total Assets - Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Standalone net assets	Amount	As % of Standalone profit and loss	Amount	As % of Standalone other comprehensive income	Amount	As % of Standalone total comprehensive income	Amount
<b>Parent</b>								
Imagine Marketing Limited	109.27%	5,126.75	77.36%	(1,001.48)	-1.03%	(0.75)	82.04%	(1,002.23)
<b>Subsidiary</b>								
<b>Indian</b>								
Dive Marketing Private Limited *	-0.26%	(12.01)	0.49%	(6.37)	0.00%	-	0.52%	(6.37)
HOB Ventures Private Limited @	6.48%	304.16	0.59%	(7.60)	0.00%	-	0.62%	(7.60)
Kaha Technologies Private Limited	1.14%	53.48	-1.16%	15.02	1.19%	0.87	-1.30%	15.90
<b>Foreign</b>								
Imagine Marketing Singapore Pte Ltd #	64.93%	3,046.20	3.88%	(50.19)	0.00%	-	4.11%	(50.19)
Kaha Pte Ltd ^	37.26%	1,747.94	7.30%	(94.50)	0.00%	-	7.74%	(94.50)
<b>Associate (Investment as per Equity Method)</b>								
<b>Indian</b>								
Sirena Labs Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Kimirica Lifestyles Private Limited **	5.37%	252.09	3.70%	(47.92)	0.00%	-	3.92%	(47.92)
Califonix Tech and Manufacturing Private Limited (JV)	0.92%	43.20	0.56%	(7.30)	0.00%	-	0.60%	(7.30)
Inter-company eliminations and consolidation adjustments	-125.12%	(5,870.16)	7.28%	(94.20)	99.84%	72.84	1.75%	(21.37)
<b>Total</b>	<b>100.00%</b>	<b>4,691.64</b>	<b>100.00%</b>	<b>(1,294.54)</b>	<b>100.00%</b>	<b>72.95</b>	<b>100.00%</b>	<b>(1,221.59)</b>

\* New subsidiary incorporated with effect from 3 June 2021.

@ New subsidiary incorporated with effect from 31 December 2021.

# New subsidiary incorporated with effect from 29 November 2021.

\$ Holding Company acquired the entity on 2 February 2022.

^ Imagine Marketing Singapore Pte Limited subsidiary of Holding Company acquired the entity on 10 February 2022.

\*\* Shares held by HOB Ventures Private Limited subsidiary of Holding Company with effect from 23 February 2022.

JV - Shares held in Califonix Tech and Manufacturing Private Limited

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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 44 DISCLOSURES PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013

- (i) Refer to note 6 for details of investment in subsidiary, associate companies and joint venture.
- (ii) The Holding Company has not given any loan or guarantee or provided any security during the year as covered under Section 186 of the Companies Act, 2013. Accordingly, the disclosure requirements to that extent does not apply to the Holding Company.

#### 45 DISCLOSURE OF STRUCK OFF COMPANIES

The Holding Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

- 46 The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses except for Series C CCPS issued in the previous year. Refer note 18(viii).

#### 47 SUBSEQUENT EVENTS

There are no subsequent events after the Balance Sheet date till the date of signing the financial statements which may require adjustment.

- 48 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency  
(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

- 49 Other than disclosed below, No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).

#### Investments made in the equity share capital of Intermediary, during the year:

Name of the Intermediary	Relationship with the Company	Nature of Investment	Date	Amount
Imagine Marketing Singapore Pte Limited	Wholly Owned Subsidiary	3,000,000 Equity shares of Imagine Marketing Singapore Pte Ltd having face value USD 1 (at Rs. 82.75/ USD) each, fully paid up	14-04-2023 23-02-2024	248.26

#### Investments made by Imagine Marketing Singapore Pte Ltd, as intermediary, during the year:

Investee Company	Relationship with the Company	Nature of Investment	Date	Amount
Kaha Pte Ltd	Wholly Owned Subsidiary	2,796,440 Equity shares of Kaha Pte Ltd (Subsidiary Company) having face value of USD 1 each, fully paid	14-04-2023 23-02-2024	231.41

#### Investments made in the equity share capital of Intermediary, during the previous year:

Name of the Intermediary	Relationship with the Company	Nature of Investment	Date	Amount
Imagine Marketing Singapore Pte Limited	Wholly Owned Subsidiary	5,400,000 Equity shares of Imagine Marketing Singapore Pte Ltd having face value USD 1 (at Rs. 82.54/ USD) each, fully paid up	18-Feb-23	445.74

#### Investments made by Imagine Marketing Singapore Pte Ltd, as intermediary, during the previous year:

Investee Company	Relationship with the Company	Nature of Investment	Date	Amount
Kaha Pte Ltd	Wholly Owned Subsidiary	5,655,533 Equity shares of Kaha Pte Ltd (Subsidiary Company) having face value of USD 1 each, fully paid	21-Feb-23	466.81

The above investment is in compliance with the relevant provisions of the Companies Act, 2013 and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)

The Holding Company has not received any fund from any party (Funding Party) with the understanding that the Holding Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

#### 50 DISCLOSURE OF JOINT VENTURE AND ASSOCIATE

Name of the entity	Place of Business	% of ownership interest as of March 31, 2024	Relationship	Accounting method	Carrying Amounts	
					31 March 2024	31 March 2023
Kimirica Lifestyle Private Limited	India	33.33%	Associate	Equity Method	219.99	252.09
Califonix Tech and Manufacturing Private Limited	India	50.00%	Joint Venture	Equity Method	260.21	43.20



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

### Notes to the Consolidated Financial Statements for the year ended 31 March 2024

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

#### 50 DISCLOSURE OF JOINT VENTURE AND ASSOCIATE (CONTINUED)

Summary financial information of Califonix Tech and Manufacturing Private Limited not adjusted for the percentage ownership held by the Group is as follows:

Particulars	As at 31 March 2024 (Rs. in millions)	As at 31 March 2023 (Rs. in millions)
Ownership	50%	50%
Cash and cash equivalent	73.03	39.42
Other current assets	370.35	4.98
Total current assets	443.38	44.41
Total non-current assets	629.27	320.86
<b>Total Assets</b>	<b>1,072.65</b>	<b>365.27</b>
<b>Current liabilities:</b>		
Financial liabilities (excluding trade payables and provisions)	14.72	9.36
Other liabilities	278.81	6.35
<b>Total current liabilities</b>	<b>293.53</b>	<b>15.71</b>
<b>Total non current liabilities</b>	<b>258.70</b>	<b>263.16</b>
<b>Total Liabilities</b>	<b>552.23</b>	<b>278.87</b>
<b>Net Assets</b>	<b>520.42</b>	<b>86.40</b>
Groups' share of net assets	260.21	43.20
Carrying amount of interest in joint venture	260.21	43.20

Particulars	For the year ended 31 March 2024 (Rs. in millions)	For the year ended 31 March 2023 (Rs. in millions)
Revenues	4,254.31	0.06
Depreciation and amortisation	88.84	6.87
Interest expense (net)	20.77	5.38
Other expenses	4,037.10	2.41
Profit from continuing operations	107.60	(14.60)
Profit for the year	104.02	(14.60)
Group's share of profit	52.01	(7.30)

Summary financial information of Kimirica Lifestyle Private Limited not adjusted for the percentage ownership held by the Group is as follows:

Particulars	As at 31 March 2024 (Rs. in millions)	As at 31 March 2023 (Rs. in millions)
Ownership	33.33%	33.33%
Cash and cash equivalent	8.31	9.16
Other current assets	109.47	113.55
Total current assets	117.78	122.71
Total non-current assets	123.23	175.63
<b>Total Assets</b>	<b>241.01</b>	<b>298.34</b>
<b>Total liabilities:</b>		
<b>Total current liabilities</b>	<b>183.94</b>	<b>101.20</b>
<b>Total non current liabilities</b>	<b>21.09</b>	<b>64.63</b>
<b>Total Liabilities</b>	<b>205.03</b>	<b>165.83</b>
<b>Net Assets</b>	<b>35.97</b>	<b>132.51</b>
Groups' share of net assets	11.99	44.16
Carrying amount of interest in associate	219.99	252.09

Particulars	As at 31 March 2024 (Rs. in millions)	As at 31 March 2023 (Rs. in millions)
Revenues	274.48	168.46
Profit from continuing operations	(96.53)	(122.78)
Other comprehensive income	0.23	0.02
Total comprehensive income	(96.30)	(122.76)
Group's share of profit	(32.10)	(40.92)

51 Information with regards to other matters in the Companies Act are either Nil or Not applicable to the Holding Company

As per our report of even date attached

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

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

Amar Sunder  
Partner  
Membership No: 078305

Sameer Mehta  
Director & CEO  
DIN: 02945481  
Place: Mumbai

Aman Gupta  
Director  
DIN: 02249682  
Place: Delhi

Rakesh Thakur  
Chief Financial Officer  
Place: Mumbai

Shreekant Sawant  
Holding Company Secretary  
(A-30705)  
Place: Mumbai

Mumbai, August 13, 2024

Mumbai, August 13, 2024