

**Independent Auditor's Report**

To The Members of SBUYS E-Commerce Limited

Report on the Audit of the Financial Statements

**Opinion**

We have audited the accompanying financial statements of **SBUYS E-Commerce Limited** (hereinafter referred to as "the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the **loss** and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

**Basis for Opinion**

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

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

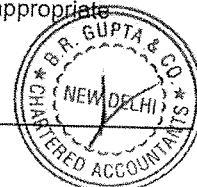
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the annual report, if, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate



accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) 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:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanations given to us, since no remuneration has been paid by the Company to its directors during the period, therefore the provisions of section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

**For B.R. Gupta & Co.**  
Chartered Accountants,  
Firm's Registration Number 008352N



**(Deepak Agarwal)**  
Partner

Membership Number 073696

UDIN: 20073696 AAAA BQ 1646

Place of Signature: Gurugram

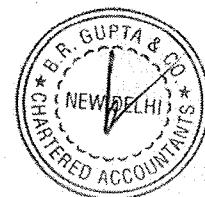
Date: 28 JUL 2020



**Annexure 'A' To the Independent Auditors' Report of even date on the financial statements of SBUYS E-Commerce Limited**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report that:

- i) In respect of fixed assets (including property, plant and equipment):  
The Company does not have any property plant and equipment. Therefore, the provision of paragraph 3(i) (a) to (c) of the of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- ii) The Company does not hold any inventory. Therefore, the provisions of paragraph 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iii) According to the information and explanation given to us, the Company had not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) According to the information and explanation given to us, the Company has no loans, investments, guarantees, and security covered under the provisions of section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 to the current operations carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) In respect to statutory dues:
  - a) The Company is generally regular in depositing undisputed statutory dues including, Income Tax, Goods and Service Tax (GST), Cess and any other material statutory dues applicable to it with the appropriate authorities. The provisions of Employees' State Insurance, Provident Fund, duty of Customs and duty of Excise are not applicable to the Company. There were no undisputed amounts payable in respect of, Income Tax, GST, Cess and any other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of Income Tax or GST which have not been deposited on account of any dispute.
- viii) In our opinion and on the basis of available information and explanation provided to us, the Company has neither raised funds from any financial institution, banks, government nor had dues of any debenture holders during the period. Therefore, the provisions of paragraph 3(viii) are not applicable to the Company.



- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The Company has not paid or provided any managerial remuneration to any director during the year. Accordingly, the provisions of section 197 read with Schedule V to the Companies Act are not applicable to the Company.
- xii) The Company is not a Nidhi Company.
- xiii) During the course of our examination of the books and records of the Company, no transactions have been entered with the related parties that are covered under section 188 of Companies Act, 2013. However, necessary details have been disclosed in the financial statements as required by the applicable accounting standards. Further the provisions of section 177 of the Act are not applicable to the Company.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For B.R. Gupta & Co.**  
Chartered Accountants,  
Firm's Registration Number 008352N



**(Deepak Agarwal)**  
Partner

Membership Number 073696

UDIN: 20073696AAAAB@1648

Place of Signature: Gurugram

Date: 28 JUL 2020



**Annexure 'B' to the Independent Auditors' Report of even date on the financial statement of SBUYS E-Commerce Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **SBUYS E-Commerce Limited ("the Company")** as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the period ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 Companies Act, 2013.

**Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 was 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 system 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 Ind AS 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 system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes 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 Ind AS 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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.R. Gupta & Co.  
Chartered Accountants,  
Firm's Registration Number 008352N



**(Deepak Agarwal)**  
Partner

Membership Number 073696

UDIN: 200 73696 AAAA BQ1646



Place of Signature: Gurugram

Date: 28-07-2020

**SBUYS E-Commerce Limited**  
Balance Sheet as at March 31, 2020

(Amount in unless otherwise stated)

Particulars	Note No.	As March 31, 2020	At March 31, 2020
<b>I. Assets</b>			
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	4		100,000
<b>Total current assets</b>			<u>100,000</u>
<b>Total assets</b>			<u><u>100,000</u></u>
<b>II. Equity and liabilities</b>			
Equity			
(a) Equity share capital	5		100,000
(b) Other equity	6		(24,404)
<b>Total equity</b>			<u>75,596</u>
Liabilities			
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	7		
Total outstanding due of micro enterprises and small enterprises			
Total outstanding due of creditors other than micro enterprises and small enterprises			24,404
<b>Total current liabilities</b>			<u>24,404</u>
<b>Total equity and liabilities</b>			<u><u>100,000</u></u>
Summary of Significant Accounting Policies		3	

The accompanying notes are an integral part of the financial statements.

As per our Audit Report of even date attached

For B:R Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N



(Deepak Agrawal)  
Partner  
Membership No. 073696



Place of Signature: Gurugram

Date: 28 JUL 2020

For & on behalf of Board of Directors of  
SBUYS E-Commerce Limited



(Pulkit Seth)  
Director  
DIN: 00003044



(Shifali Seth) SHIFALI SETH  
Director  
DIN: 01388430



**SBUYS E-Commerce Limited**  
**Statement of Profit & Loss for the period ended March 31, 2020**

(Amount in ₹ unless otherwise stated)

Particulars	Note No.	For the period ended March 31, 2020
I Revenue from operations		-
II Other income		-
III Total income (I+II)		-
IV Expenses		
(a) Other expenses	8	24,404
Total expenses		24,404
V Profit/ (loss) before exceptional items and tax (III-IV)		(24,404)
VI Exceptional Items		-
VII Profit/ (loss) before tax (V-VI)		(24,404)
VIII Tax expense		-
IX Profit/(loss) for the year (VII-VIII)		(24,404)
X Other comprehensive income		
(A) (i) Items that will not be reclassified subsequently to profit or loss		
(a) Re-measurement gains/ (losses) on defined benefit plans		-
(ii) Income tax on items that will not be reclassified subsequently to profit or loss		-
(B) (i) Items that will be reclassified subsequently to profit or loss		
(ii) Income tax on items that will be reclassified subsequently to profit or loss		-
Other comprehensive income for the year, net of tax		-
XI Total comprehensive income for the year, net of tax		(24,404)
XII Earnings per equity share: (face value ₹ 10 per share)	9	
Basic (amount in ₹)		(2.44)
Diluted (amount in ₹)		(2.44)

**Summary of Significant Accounting Policies**

3

The accompanying notes are an integral part of the financial statements.

As per our Audit Report of even date attached

For B.R Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N

*(Signature)*

(Deepak Agrawal)

Partner

Membership No. 073696



For & on behalf of Board of Directors of  
**SBUYS E-Commerce Limited**

*(Signature)*

(Pulkit Seth)

Director

DIN: 00003044

*(Signature)*

(Shefali Seth)

Director

DIN: 01388430

(SHIFALLI  
 SETH)

Place of Signature: Gurugram

Date:

28 JUL 2020

**SBUYS E-Commerce Limited**  
**Statement of Cash Flows for the year period March 31, 2020**

(Amount in ₹ unless otherwise stated)

Particulars	For the period ended March 31, 2020
<b>A. Cash flow from Operating Activities :</b>	
Net profit before tax and exceptional items	(24,404)
Adjustments for non cash flow items	-
<b>Operating profit /(loss) before working capital changes</b>	<b>(24,404)</b>
Adjustments for working capital changes :	
Trade payables & other liabilities	24,404
<b>Cash generated from operations</b>	<b>-</b>
Direct taxes (paid) /refunds	-
<b>Net Cash generated /(used) in Operating Activities</b>	<b>-</b>
<b>B. Cash flow from Investing Activities:</b>	
Other financial assets	-
<b>Net Cash generated /(used) in Investing Activities</b>	<b>-</b>
<b>C. Cash flow from Financing Activities</b>	
Net proceeds from issue of share capital	100,000
<b>Net Cash generated /(used) in Financing Activities</b>	<b>100,000</b>
<b>Net Increase in Cash/Cash equivalents(A+B+C)</b>	<b>100,000</b>
<b>Cash / Cash equivalents at the beginning of the year</b>	<b>-</b>
<b>Cash / Cash equivalents at the end of the year</b>	<b>100,000</b>
<b>Components of Cash and Cash equivalents</b>	
Cash and Cheques on hand	-
Balances with Scheduled Banks	
- In Current Accounts	100,000
	<b>100,000</b>

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

**Summary of Significant Accounting Policies**

3

The accompanying notes form an integral part of these financial statements.

As per our Report of even date attached

**For B.R Gupta & Co.**

Chartered Accountants

Firm's Registration Number 008352N



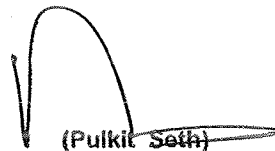
(Deepak Agrawal)

Partner

Membership No. 073696



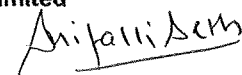
**For & on behalf of Board of Directors of  
SBUYS E-Commerce Limited**



(Pulkit Seth)

Director

DIN: 00003044



(SHIFALI SETH)

(Shefali Seth)

Director

DIN: 01388430

Place of Signature: Gurugram

Date:

28 JUL 2020

# SBUYS E-Commerce Limited

## Statement of changes in equity for the period ended March 31, 2020

(Amount in ₹ unless otherwise stated)

### A. Equity Share Capital

As at September 20, 2019\*

Changes during the year

As at March 31, 2020

-
100,000.00
<b>100,000.00</b>

### B. Other Equity

Balance as at September 20, 2019\*

Profit / (loss) for the year

Other Comprehensive Income

Total Comprehensive Income for the year

Balance as at March 31, 2020

	Reserve & Surplus	
	Retained Earnings	Total Other Equity
-	-	-
(24,404.00)	(24,404.00)	(24,404.00)
-	-	-
(24,404.00)	(24,404.00)	(24,404.00)
<b>(24,404.00)</b>	<b>(24,404.00)</b>	<b>(24,404.00)</b>

\*September 20, 2019 is the incorporation date of the Company

Summary of Significant Accounting Policies

3

The accompanying notes form an integral part of these financial statements.

As per our Report of even date attached

For B.R Gupta & Co.

Chartered Accountants

Firm's Registration Number 008352N



(Deepak Agrawal)

Partner

Membership No. 073696



For & on behalf of Board of Directors of  
SBYUS E-Commerce Limited



(Pulkit Seth)

Director

DIN: 00003044



(Shifali Seth)

Director

DIN: 01388430

(SHIFALI SETH)

Place of Signature: Gurugram

Date:

28 JUL 2020

# SBUYS E-Commerce Limited

## Notes to the financial statements for the period ended March 31, 2020

### Note 1: Corporate Information

SBUYS E-Commerce Limited is a company domiciled in India and was incorporated on September 20, 2019 under the provisions of the Companies Act, 2013. The Company carry on e-Commerce business for all kinds of readymade garments products and online trading of readymade garments, distribution and collection services using the worldwide computer networks and web series.

The financial statements were authorised for issue in accordance with a resolution of the board of directors on July 28, 2020.

### Note 2: Basis of preparation and measurement

#### Statement of Compliance:

The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

#### Basis of Preparation and presentation:

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The principal accounting policies are set out below.

All assets and liabilities have been classified as current or noncurrent according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current non-current classification of assets and liabilities.

The financial statements are presented in ₹ and all values are rounded to the nearest lakhs upto two decimal places except otherwise stated.

The Company is incorporated on September 20, 2019 and the financial statements are reported for the period ending March 31, 2020. Therefore, comparative figures of the previous years are not available.

#### Going Concern Assumption:

The Management of the Company has adequate funds to take up the new business at opportune time and further will be able to realize its assets at their recorded values and discharge all its liabilities as on March 31, 2020 within next 12 months from the end of this reporting period. Company's Net worth is also positive on the reporting date and has the full financial support from its holding company for implementing future business plans. In view of same, Management believes that it is appropriate to prepare these financial statements on going concern basis.

### Recent accounting pronouncements & Application of New Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. However, there is no such notification which would have been applicable from April 1, 2020. Also, the Company has reviewed the IND AS pronouncements pursuant to issuance of Companies (Indian Accounting Standards) Amendment Rules for adoption in the Financial Statements as at March 31, 2020. None of the changes to Ind AS have an impact on the net worth, financial position, financial performance or on the cash flow of the Company.

### Note 3: Significant accounting policies

#### a) Significant accounting judgements, estimates and assumptions

The preparation of 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 amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

#### Judgements:

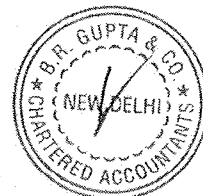
The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

#### Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgement is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### Estimates and Assumptions

The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.



# SBUYS E-Commerce Limited

## Notes to the financial statements for the period ended March 31, 2020

### b) Current versus non-current classification

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

#### **Assets:**

An asset is treated as current when it is:

- Expected to be realised 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.

#### **Liabilities:**

A liability is 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 liabilities.

**Operating cycle:** 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.

### c) Property, Plant and Equipment

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use and cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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

However, Company does not have property, plant and equipment at the end of the financial year.

### d) Intangible assets

Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 3 years or license period whichever is earlier.

### e) Borrowing costs

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### f) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All the lease other than Finance lease are classified as operating lease.

### g) Foreign currencies

#### **Functional and presentational currency**

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ₹ except where otherwise stated.

### h) Revenue Recognition

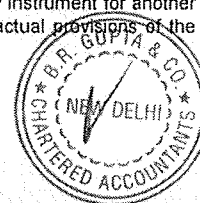
#### **Revenue from contract with customer**

Revenue from contract with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding the amount collected on behalf of third parties (for example, taxes and duties collected on behalf of government) and net of returns & discounts.

### i) Financial instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

#### **(i) Financial assets**



# SBUYS E-Commerce Limited

## Notes to the financial statements for the period ended March 31, 2020

### Initial recognition and measurement

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit and loss (FVTPL)

### Financial asset carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial asset at fair value through profit and loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

### De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The contractual rights to receive cash flows from the asset has expired, or
- The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### (ii) Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities includes trade and other payables.

### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit and loss (FVTPL)

### De-recognition

A financial liability is derecognised 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### (iii) Offsetting of financial instruments

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

### (iv) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

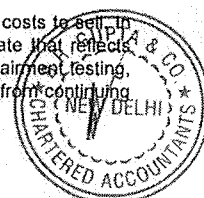
## j) Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## k) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').



## SBUYS E-Commerce Limited

### Notes to the financial statements for the period ended March 31, 2020

An impairment loss is recognized, if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount and is recognised in statement of profit and loss.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### l) **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### m) **Taxes**

##### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

##### **Deferred tax**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognized in respective head and not in the statement of profit & loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



## SBUYS E-Commerce Limited

### Notes to the financial statements for the period ended March 31, 2020

#### Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

#### n) Segment Accounting Policies

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating Decision maker. In accordance with Ind AS 108 - Operating Segment. The Board of Directors is collectively the Company's "Chief Operating Decision maker" or "CODM" within the meaning of Ind AS 108.

#### o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### p) Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding as at the end of reporting period.

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company 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.

#### q) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the 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.

#### r) Provisions

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 reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the 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. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

#### s) Statement of Cash Flows

Cash flows are reported using the indirect method, where by profit 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.

#### t) Employee's Benefits

There is no Employee Benefit cost incurred for the Year ended March 31, 2020.



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# SBUYS E-Commerce Limited

## Notes to the financial statements for the period ended March 31, 2020

(Amount in ₹ unless otherwise stated)

### Note 4: Cash and Cash Equivalents

Balances with Banks:-  
-Current Account

As	At
March 31, 2020	
	100,000
	100,000

a) For the purpose of the statement of cash flow, the cash and cash equivalent are same given above.

### Note 5: Share Capital

#### Authorised

150,000 equity shares of ₹ 10 each

As	At
March 31, 2020	
	1,500,000
	1,500,000

#### Issued, Subscribed & Paid-up

##### Equity

10,000 equity shares of ₹ 10 each fully paid up

Total Issued, Subscribed & Paid-up Capital

	100,000
	100,000

\* Number of Shares are given in absolute numbers.

a) Reconciliation of issued and subscribed share capital

Equity Share of ₹ 10 each

Opening Balance

Increase/(decrease) during the period

Balance as at March 31, 2020

	No. of shares	Amount
	-	-
	10,000	100,000
	10,000	100,000

b) Terms/rights attached to Equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity Shares of ₹ 10 each fully paid up

Pearl Global Industries Limited (Holding Company)

March 31, 2020	
No. of Shares	%holding
10,000	100%

### Note 6: Other Equity

Retained Earnings

As	At
March 31, 2020	
	(24,404)
	(24,404)

i. For Movement during the period in Other Equity, refer "Statement of Changes in Equity".

### Note 7: Trade payable

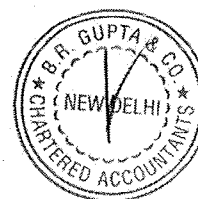
Total outstanding dues of Micro and Small enterprises

Total outstanding due of creditors other than micro enterprises and small enterprises

As	At
March 31, 2020	
	-
	24,404
	24,404

a) The amount does not include any amount due to be transferred to Investor Protection and Education fund.

b) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007, the amount due to Micro & Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under :



# SBUYS E-Commerce Limited

## Notes to the financial statements for the period ended March 31, 2020

(Amount in ₹ unless otherwise stated)

Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

As	At
March 31, 2020	

- (i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.
- (ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.
- (iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.
- (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year
- (v) The amount of further interest remaining due and payable even in the succeeding year, 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 section 23 of the MSMED Act 2006

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

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# SBUYS E-Commerce Limited

## Notes to the financial statements for the period ended March 31, 2020

(Amount in ₹ unless otherwise stated)

	For the period ended March 31, 2020
<b>Note 8: Other expenses</b>	
Filing Fees	404
Payment to auditors (refer 'a' below)	15,000
Legal expenses	2,950
Rates & Taxes	6,050
	<u>24,404</u>

(a) Details of payment made to auditors is as follows:

As Auditor:

- Audit Fees

15,000
<u>15,000</u>

**Note 9: Earnings per share (EPS)**

	For the period ended March 31, 2020
Profit attributable to the equity shareholders (A)	(24,404)
Number/Weighted average number of equity shares outstanding at the end of the period (B)	10,000
Nominal value of equity shares	10
Basic/Diluted Earning per share (A/B) (in ₹)	(2.44)



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# SBUYS E-Commerce Limited

## Notes to the financial statements for the period ended March 31, 2020

(Amount in ₹ unless otherwise stated)

### Note 10 : Income Tax

The major components of income tax expense for the years ended March 31, 2020 is:

#### Statement of profit and loss:

	As March 31, 2020	At March 31, 2020
<b>Tax Expense:</b>		
a) Current tax		-
b) Adjustments in respect of current income tax		-
c) Deferred tax		-
<b>Income tax expense reported in the statement of profit or loss</b>		<b>-</b>

#### OCI section

	As March 31, 2020	At March 31, 2020
Deferred tax related to items recognised in OCI during the period		-
<b>Income tax charged to OCI</b>		<b>-</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020.

	As March 31, 2020	At March 31, 2020
Accounting profit/(loss) before tax from continuing operations		(24,404)
<b>Accounting profit before income tax</b>		<b>-</b>
At India's statutory income tax rate		(6,345)
Adjustments in respect of current income tax		-
<b>Tax effect of the amounts which are Non-deductible/(taxable) for tax purposes:</b>		
Deffered tax not created *		6,345
<b>Income tax expense reported in the statement of profit and loss</b>		<b>-</b>

\* In the absence of probable certainty of sufficient future taxable profits, deferred tax asset has been recognised only to the extent of deferred tax liabilities.

#### Deferred tax:

	<b>Balance sheet</b>	
	As March 31, 2020	At March 31, 2020
Deferred tax assets		-
Deferred tax liability		-
<b>Total deferred tax assets/(liabilities) (Net)</b>		<b>-</b>

#### Deferred tax expense/income:

	<b>Statement of profit and loss</b>	
	As March 31, 2020	At March 31, 2020
Deferred tax assets		-
Deferred tax liability		-
<b>Net deferred tax charge</b>		<b>-</b>

Recognised in statement of profit and loss

Recognised in other comprehensive income

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



# SBUYS E-Commerce Limited

## Notes to the financial statements for the period ended March 31, 2020

(Amount in ₹ unless otherwise stated)

### Note 11: Capital management

For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The disclosure is made as under in respect of Capital Management:

	As March 31, 2020	At March 31, 2020
Trade payables (refer to note 7)		24,404
Less: cash and cash equivalents (refer to note 4)		(100,000)
<b>Net debt</b>		<b>(75,596)</b>
Equity share capital (refer to note 5)		100,000
Other equity (refer to note 6)		(24,404)
<b>Total Capital</b>		<b>75,596</b>

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2020.



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## **SBUYS E-Commerce Limited**

### **Notes to the financial statements for the period ended 31 March 2016**

#### **Note 12: Fair values**

Set out below, is a comparison by class of the carrying amounts and carrying amounts that are reasonable approximations of fair values:

#### **a) Fair value of financial assets:**

##### **Financial assets measured at amortised cost**

Cash and cash equivalents

**Total**

#### **b) Fair value of financial liabilities:**

##### **Financial liabilities measured at amortised cost**

Trade payables

Management has assessed that cash and cash equivalents and trade payables are measured at fair value based on their short-term maturities of these instruments.

#### **c) The fair value of the financial assets and liabilities is included at the carrying amount, which is the fair value, based on the assumption of exchange between willing parties, other than in a forced or liquidation sale.**

The following methods and assumptions were used to estimate the fair value of financial assets and liabilities:

#### **i) For financial assets and liabilities that are measured at fair value, the fair value is determined based on the following methods and assumptions:**

**SBUYS E-Commerce Limited**

**Notes to the financial statements for the period ended March 31, 2020**

(Amount in ₹ unless otherwise stated)

**Note 13: Fair hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

**a) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:**

	As March 31, 2020	At March 31, 2020	Amortised Cost	Fair Value			Total
				Quoted prices in active markets (Level 1)	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)	
<b>Financial assets measured at amortised cost</b>							
Cash and cash equivalents*		100,000	100,000	-	-	-	100,000
<b>Total</b>		<b>100,000</b>	<b>100,000</b>	-	-	-	<b>100,000</b>

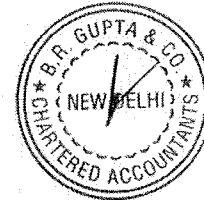
**b) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2020:**

	As March 31, 2020	At March 31, 2020	Amortised Cost	Fair Value			Total
				Quoted prices in active markets (Level 1)	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)	
<b>Financial liabilities measured at amortised cost</b>							
Trade payables*		24,404	24,404	-	-	-	24,404
<b>Total</b>		<b>24,404</b>	<b>24,404</b>	-	-	-	<b>24,404</b>

\* Management has assessed that cash and cash equivalents & trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

There have been no transfers between Level 1 and Level 2 during the period.

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# SBUYS E-Commerce Limited

## Notes to the financial statements for the period ended March 31, 2020

(Amount in ₹ unless otherwise stated)

### Note 14: Financial risk management objectives and policies

The Company's principal financial liabilities comprises of trade payables. The main purpose of these financial liabilities is to support its operations.

The Company's principal financial assets comprises of cash and cash equivalents.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level management oversees the management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

#### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

The sensitivity analyses in the following sections relate to the position as at March 31, 2020.

##### i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no long-term borrowings with variable rates, which expose the Company to interest rate risk.

##### ii) Foreign currency risk

Foreign currency risk is the risk that arises when the fair value of future cash flows of an exposure fluctuate because of the changes in exchange rates. Foreign currency risk sensitivity is the impact on the Company's profit before tax, due to changes in the fair value of monetary assets and liabilities on unhedged exposures.

Company is not exposed to foreign currency sensitivity because Company does not have any outstanding foreign currency exposure as on March 31, 2020.

#### B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk from its operating activities and from its financing activities

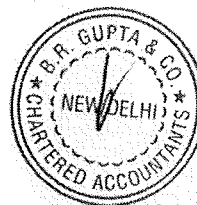
#### C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2020	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	24,404	-	-	-	24,404
<b>Total</b>	<b>24,404</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,404</b>

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## SBUYS E-Commerce Limited

Notes to the financial statements for the period ended March 31, 2020

Note 15: Disclosure of Related parties/ Related parties transactions :

a) List of Related Parties and relationships

(i)	Holding Company	Pearl Global Industries Limited
(ii)	Key Managerial Personnel	Deepak Seth (Director)
		Pulkit Seth (Director)
		Shefali Seth (Director)

b) There are no transactions during the financial year ended March 31, 2020 and no balances are outstanding as at March 31, 2020.


Note 16: No material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements. There is no Impact of COVID on the operations of the Company.

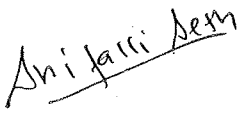
Note 17: There is no Reportable Segments of the Company in view of the Ind As-108 "Operating Segments" as notified under Companies (Indian Accounting Standards) Rules, 2015.

Note 18: The Company is incorporated on September 20, 2019 and the financial statements are reported for the period September 20, 2019 to March 31, 2020. Therefore, comparative figures of the previous year are not disclosed.

Note 19: Figures have been rounded off to the nearest lakhs upto two decimal places except otherwise stated.

For & on behalf of Board of Directors of  
SBUYS E-Commerce Limited

  
(Pulkit Seth)  
Director  
DIN: 00003044

  
(Shifali Seth) (SHIFALI SETH)  
Director  
DIN: 01388430

Place of Signature: Gurugram  
Date:

28 JUL 2020

