# Bismi Connect Limited

(formerly known as Bismi Connect Private Limited)

**Financial Statements**

**2023-24**

**INDEPENDENT AUDITORS' REPORT**

To the Members of **Bismi Connect Limited (Formerly Bismi Connect Private Limited)**

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

**Opinion**

We have audited the accompanying financial statements of **Bismi Connect Limited** ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the 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 March 31, 2024, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Other Information**

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

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

**Responsibilities of Management 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 including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 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 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 sub-section (11) of section 143 of the Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 these financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any provision for material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 37(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 37 (vi) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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; and

c) Based on such audit procedures performed that were 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 (a) and (b) contain any material misstatement

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the company has 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 we did not come across any instance of audit trail feature being tampered with.

For **G Venugopal Kamath & Co**
Chartered Accountants (FRN 004674S)

**Ravinath R Pai**
Partner
Membership Number: 226547

UDIN: 24226547BKADEI4133
Place: Kochi
Date: April 15, 2024

**Annexure –1 to Independent Auditors' Report**

*Referred to in Para 1 under the heading "Report on other Legal and Regulatory Requirements" of our audit report of even date:*

i) In respect of the Company's property, plant and equipment, and intangible assets:

(a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

B) The company is maintaining proper records showing full particulars of intangible assets.

(b) As explained to us, these Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) The Company does not own any immoveable properties as on 31st March 2024 and reporting under this clause is not applicable to the Company.

(d) As explained to us, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) As explained to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii) (a) According to the information and explanations given to us, the inventory has been physically verified by the management during the year and in our opinion, the coverage and procedure of such verification by the management is appropriate. As explained to us, no discrepancy of 10% or more in the aggregate for each class of inventory was noticed on physical verification of inventories as compared to the books of account.

(b) The company had been sanctioned working capital limits in excess of five crore rupees from bank on the basis of security of current assets which have been closed before 30$^{th}$ June 2023. Hence no quarterly returns or statements were required to be filed with the banks and reporting under this clause is not applicable

iii) (a) According to information and explanations given to us and on the basis of our examination of the books of accounts and records, during the year the Company has granted loan / advance in the nature of inter corporate loan to a company.

A) The Company has not advanced any loan to subsidiaries, joint ventures and associates.

B) The aggregate amount advanced during the year with respect to loans to parties other than subsidiaries, joint ventures and associates amounts to Rs.3.48 crores and balance outstanding at the balance sheet date amounts to Nil.

(b) No investments were made / guarantees provided / security given during the year and hence reporting under clause (b) is not applicable

(c) Clauses (c) to (f) are not applicable as there are no outstanding balances for loans and advances at the balance sheet date

iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v) The Company has not accepted any deposit during the year nor has any unclaimed deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act as on 31 March 2024. Hence reporting under clause 3(v) of the Order is not applicable to the Company.

vi) Having regard to the nature of the Company's business / activities, reporting under clause 3 (vi) of the Order with respect to maintenance of cost records is not applicable

vii) a) Based on the information and explanations given to us, we are of the opinion that the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, cess, and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2024 for a period of more than six months from the date on when they became payable.

b) As per information and explanations provided to us, there are no statutory dues of the Company which have not been deposited on account of any dispute

viii) According to information and explanations given to us, there are no instances of transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender

b) According to the information and explanation given to us, the company has not been declared wilful defaulter by any bank or financial institution or other lender

c) In our opinion and according to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) According to the information and explanation given to us, 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,

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.

x) a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.

b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Hence reporting under clause 3 (x)(b) of the Order is not applicable to the Company.

xi) a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year

c) According to the information and explanations given to us, whistleblower mechanism is not applicable to the Company during the year

xii) The Company is not a Nidhi Company and hence, provisions of clause 3(xii) of the Order, for Nidhi Company, are not applicable to the Company.

xiii) In our opinion, the Company is in compliance with Section 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) (a) In our opinion and based on our examination the Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports issued to the company have been considered by us.

xv) In our opinion and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.

xvi) The Company is not carrying any activities which require registration under section 45-IA of the Reserve Bank of India Act, 1934. In our opinion, there is no Core Investment Company within the Group as defined in the regulations made by the Reserve Bank of India Accordingly, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order are not applicable for the year.

xvii) The company has incurred a cash loss of Rs 12.61 crores during the current year and Rs 9.48 crores during the preceding year.

xviii) There has been no resignation of the statutory auditors during the year

xix) On the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, in our opinion no material uncertainty exists that the Company may not be 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, further state that this is not an assurance as to the future viability of the Company and 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) Provisions relating to Corporate Social Responsibility are not applicable to the Company. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable for the year.

For **G Venugopal Kamath & Co**
Chartered Accountants (FRN 004674S)

**Ravinath R Pai**
Partner
Membership Number: 226547

UDIN: 24226547BKADEI4133
Place: Kochi
Date: April 15, 2024

## "Annexure 2" to the Independent Auditor's Report

## 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 over financial reporting of **Bismi Connect Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 over financial reporting based on our audit. We conducted our audit in accordance with 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. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **G Venugopal Kamath & Co**
Chartered Accountants (FRN 004674S)

**Ravinath R Pai**
Partner
Membership Number: 226547

UDIN: 24226547BKADEI4133
Place: Kochi
Date: April 15, 2024

**Bismi Connect Limited**
(Formerly Bismi Connect Private Limited)
**Balance Sheet as at March 31, 2024**

*(₹ in Crs)*

| | | | Particulars | Note | As at 31-Mar-24 | As at 31-Mar-23 | As at 01-Apr-22 |
|---|---|---|---|---|---|---|---|
| **I.** | **ASSETS** | | | | | | |
| | **1** | **Non-current assets** | | | | | |
| | | a. | Property, Plant & Equipment and Intangible assets | | | | |
| | | | (i) Tangible assets | 3 | 114.01 | 123.73 | 36.78 |
| | | | (ii) Intangible assets | 3 | 0.15 | 0.34 | 0.39 |
| | | | (iii) Capital work in progress | 3 | - | 0.78 | 2.07 |
| | | b. | Financial assets | | | | |
| | | | (i) Investments | 4 | - | 1.00 | 1.00 |
| | | | (ii) Other Financial Assets | 5 | 4.98 | 19.43 | 17.85 |
| | | c. | Income tax assets (net) | | 0.40 | 0.50 | 0.15 |
| | | c. | Deferred Tax assets (net) | 6 | 3.41 | - | - |
| | | | **Total Non-Current Assets** | | **122.95** | **145.78** | **58.24** |
| | **2** | **Current Assets** | | | | | |
| | | a. | Inventories | 7 | 59.12 | 57.42 | 69.80 |
| | | b. | Financial assets | | | | |
| | | | (i) Trade Receivables | 8 | 4.33 | 3.23 | 1.70 |
| | | | (ii) Cash and Cash Equivalents | 9 | 2.02 | 1.12 | 1.51 |
| | | | (iii) Other financial assets | 10 | 4.16 | 6.09 | 8.89 |
| | | d. | Other Current Assets | 11 | 5.57 | 5.60 | 26.22 |
| | | | **Total Current Assets** | | **75.20** | **73.46** | **108.12** |
| | | | **Total Assets** | | **198.15** | **219.24** | **166.36** |
| **II.** | **EQUITY & LIABILITIES** | | | | | | |
| | **1** | **Shareholders' Funds** | | | | | |
| | | a. | Equity Share Capital | 12 | 8.57 | 8.57 | 8.57 |
| | | b. | Other Equity | 13 | (67.57) | (33.40) | 8.10 |
| | **2** | **Non-Current liabilities** | | | | | |
| | | a. | **Financial liabilities** | | | | |
| | | | (i) Borrowings | 14 | 92.65 | 11.03 | 10.62 |
| | | | (ii) Lease Liabilities | 15 | 88.17 | 85.96 | 3.52 |
| | | b. | Provisions | 16 | 0.39 | 0.55 | 0.51 |
| | | c. | Deferred Tax Liabilities (Net) | 6 | - | 0.50 | 0.57 |
| | | | **Total Non-Current Liabilities** | | **181.21** | **98.04** | **15.22** |
| | **3** | **Current Liabilities** | | | | | |
| | | a. | **Financial liabilities** | | | | |
| | | | (i) Borrowings | 14 | - | 61.42 | 65.02 |
| | | | (ii) Lease Liabilities | 15 | 5.54 | 4.82 | 1.19 |
| | | | (iii) Trade Payables - due to : | 17 | | | |
| | | | Micro & Small Enterprises | | 2.57 | - | - |
| | | | Other than Micro & Small Enterprises | | 61.06 | 71.32 | 67.27 |
| | | | (v) Other Financial Liabilities | 18 | 0.01 | 1.46 | 0.01 |
| | | b. | Provisions | 16 | 3.97 | 0.05 | 0.04 |
| | | c. | Other current liabilities | 19 | 2.79 | 6.96 | 0.94 |
| | | | **Total Current Liabilities** | | **75.94** | **146.03** | **134.47** |
| | | | **Total Liabilities** | | **257.15** | **244.07** | **149.69** |
| | | | **Total Equity and Liabilities** | | **198.15** | **219.24** | **166.36** |
| | | | Sigificant accounting policies | 1-2 | | | |
| | | | See accompanying Notes to the Financial statements | 3-39 | | | |

**Bismi Connect Limited**
**(Formerly known as Bismi Connect Private Limited)**

| | |
|---|---|
| As per our Report of even date | For and on Behalf of the Board |
| **For G. Venugopal Kamath & Co.,**<br>Chartered Accountants<br>Firm Registration No.004674S | **G. Venkatesh**<br>Director<br>DIN: 02813390 |
| **CA Ravinath R Pai**<br>Partner<br>Membership No 226547 | **Sajita Nair**<br>Director<br>DIN: 09082420 |
| | **Kaushal Nevrekar**<br>Director<br>DIN: 10196985 |

Date: April 15, 2024

**Bismi Connect Limited**

(Formerly Bismi Connect Private Limited)

**Statement of profit and loss for the year ended March 31, 2024**

*(₹ in Crs)*

| | | Particulars | Note | 2023-24 | 2022-23 |
|---|---|---|---|---|---|
| **I** | **INCOME** | | | | |
| | a. | Value of Sales | 20 | 384.30 | 374.71 |
| | b. | Income from Services | 20 | 1.21 | 0.95 |
| | | **REVENUE FROM OPERATIONS** | | **385.51** | **375.66** |
| | d. | Other Income | 21 | 1.83 | 1.81 |
| | | **Total Income** | | **387.34** | **377.47** |
| **II** | **EXPENSES** | | | | |
| | a. | Purchases of Stock-in-Trade | 22 | 351.63 | 316.39 |
| | b. | Changes in Inventories of Stock-in-Trade | 23 | (1.70) | 12.38 |
| | c. | Employee Benefits Expense | 24 | 10.36 | 10.85 |
| | d. | Finance Costs | 25 | 16.86 | 11.39 |
| | e. | Depreciation and Amortisation Expense | 3 | 15.90 | 8.48 |
| | f. | Other Expenses | 26 | 32.60 | 35.94 |
| | | **Total Expenses** | | **425.65** | **395.43** |
| | | **LOSS BEFORE EXCEPTIONAL ITEMS & TAX** | | **(38.31)** | **(17.96)** |
| | | EXCEPTIONAL ITEMS | | | 23.52 |
| | | **TAX EXPENSES:** | | | |
| | | Current Tax | | - | - |
| | | Deferred Tax | | (4.02) | (0.06) |
| | | **PROFIT / (LOSS) FOR THE YEAR** | | **(34.29)** | **(41.42)** |
| | | **OTHER COMPREHENSIVE INCOME (OCI)** | | | |
| | | (i) Items that will not be reclassified to Profit or loss | | (0.06) | 0.08 |
| | | (ii) Income tax relating to items that will not be reclassified to profit or loss | | 0.01 | |
| | | **Total Other Comprehensive Income for the year (Net of tax)** | | **(0.05)** | **0.08** |
| | | **Total Comprehensive Income/ (Loss) for the year** | | **(34.34)** | **(41.34)** |
| | | **Earnings/(loss) per share** | | | |
| | | Nominal value per share | 31 | 10.00 | 10.00 |
| | | Basic earnings per share | | (39.98) | (48.33) |
| | | Diluted earnings per share | | (39.98) | (48.33) |
| | | Sigificant accounting policies | 1-2 | | |
| | | See accompanying Notes to the Financial statements | 3-39 | | |

**Bismi Connect Limited**
**(Formerly known as Bismi Connect Private Limited)**

As per our Report of even date

For and on Behalf of the Board

**For G. Venugopal Kamath & Co.,**
Chartered Accountants
Firm Registration No.004674S

**G. Venkatesh**
Director
DIN: 02813390

**CA Ravinath R Pai**
Partner
Membership No 226547

**Sajita Nair**
Director
DIN: 09082420

**Kaushal Nevrekar**
Director
DIN: 10196985

Date: April 15, 2024

**Bismi Connect Limited**
(Formerly Bismi Connect Private Limited)
**Statement of changes in equity for the year ended March 31, 2024**

**Equity Share Capital**

| Particulars | No. of shares | Amount (₹ cr) |
|---|---|---|
| **As at April 01, 2022** | 85,71,429 | 8.57 |
| Add: Issued during the year | - | - |
| **As at March 31, 2023** | 85,71,429 | 8.57 |
| Add: Issued during the year | - | - |
| **As at March 31,2024** | 85,71,429 | 8.57 |

**Other equity**

(₹ in Crs)

| Particulars | Retained earnings | Other comprehensive income | Securities Premium | Total |
|---|---|---|---|---|
| **Balance as at 1 April 2022** | 3.17 | - | 4.93 | 8.10 |
| Loss for the year | (41.42) | | | (41.42) |
| Remeasurement gain / (loss) on defined benefit plans | | (0.08) | | (0.08) |
| Tax effect of remeasurement gain / (loss) on defined benefit plans | | - | | - |
| **As at 31 March 2023** | **(38.25)** | **(0.08)** | **4.93** | **(33.40)** |
| **Balance as at 1st April 2023** | (38.25) | (0.08) | 4.93 | (33.40) |
| Loss for the year | (34.29) | | | (34.29) |
| Remeasurement gain / (loss) on defined benefit plans | | (0.06) | | (0.06) |
| Tax effect of remeasurement gain / (loss) on defined benefit plans | | 0.18 | | 0.18 |
| **As at 31 March 2024** | **(72.54)** | **0.04** | **4.93** | **(67.57)** |

**Bismi Connect Limited**
**(Formerly known as Bismi Connect Private Limited)**

| | |
|---|---|
| As per our Report of even date | For and on Behalf of the Board |
| **For G. Venugopal Kamath & Co.,**<br>Chartered Accountants<br>Firm Registration No.004674S | **G. Venkatesh**<br>Director<br>DIN: 02813390 |
| **CA Ravinath R Pai**<br>Partner<br>Membership No 226547 | **Sajita Nair**<br>Director<br>DIN: 09082420 |
| | **Kaushal Nevrekar**<br>Director<br>DIN: 10196985 |

Date: April 15, 2024

# Bismi Connect Limited

(Formerly Bismi Connect Private Limited)

**Cash flow statement for the year ended March 31, 2024**

*(₹ in Crs)*

| | Particulars | 2023-24 | 2022-23 |
|---|---|---|---|
| I | **Cash flow from operating activities** | | |
| | **Net loss before tax** | **(38.31)** | **(41.48)** |
| | Adjustments for: | | |
| | Depreciation | 15.90 | 8.48 |
| | Bad debts written off | 0.67 | - |
| | Loss on sale/ discarding of assets | 0.92 | 0.31 |
| | Provisions for dimunition in value of assets | 9.13 | - |
| | Interest expense | 16.86 | 11.39 |
| | Operating profit before working capital changes | 5.17 | (21.30) |
| | **Movement in working capital:** | | |
| | Decrease/(Increase) in trade receivables | (1.77) | (1.53) |
| | Decrease/(Increase) in inventories | (9.83) | 12.38 |
| | Decrease/(Increase) in other current assets | 0.03 | 21.12 |
| | Decrease/(Increase) in other financial assets | 16.37 | (3.38) |
| | Increase/(Decrease) in trade payables | (7.69) | 4.05 |
| | Increase/(Decrease) in other current liabilities | (5.62) | 7.47 |
| | Increase/(Decrease) in provisions | 3.82 | 0.13 |
| | Cash generated from operations | 0.48 | 18.94 |
| | Income tax paid net of refunds | 0.10 | (0.50) |
| | **Net cash from operating activities** | **0.58** | **18.44** |
| II | **Cash flow from investing activities** | | |
| | Purchase of property, plant and equipment | (0.52) | (1.67) |
| | Proceeds from sale of Fixed assets | 1.91 | - |
| | **Net cash from investing activities** | **1.39** | **(1.67)** |
| III | **Cash flow from financing activities** | | |
| | Interest paid | (8.46) | (8.11) |
| | Net increase in borrowings | 20.20 | (3.19) |
| | Repayment of Lease liabilities | (12.81) | (5.86) |
| | **Net cash from financing activities** | **(1.07)** | **(17.16)** |
| | **Net increase / (decrease) in cash & cash equivalents** | 0.90 | (0.39) |
| | Cash & cash equivalents at the beginning of the period(Note 1) | 1.12 | 1.51 |
| | Cash & cash equivalents at the end of the period(Note 1) | **2.02** | **1.12** |

**Notes:**

1) The reconciliation to the cash and bank balances as given is as follows :

| | 2023-24 | 2022-23 |
|---|---|---|
| Cash & Balance with banks | 2.02 | 1.12 |
| | **2.02** | **1.12** |

**Bismi Connect Limited**
**(Formerly known as Bismi Connect Private Limited)**

As per our Report of even date

For and on Behalf of the Board

**For G. Venugopal Kamath & Co.,**
Chartered Accountants
Firm Registration No.004674S

**G. Venkatesh**
Director
DIN: 02813390

**CA Ravinath R Pai**
Partner
Membership No 226547

**Sajita Nair**
Director
DIN: 09082420

**Kaushal Nevrekar**
Director
DIN: 10196985

Date: April 15, 2024

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

## 1. CORPORATE INFORMATION

Bismi Connect Limited ('Bismi' or 'the Company') is a public company domiciled in India with its registered office at 1st Floor 37/3B, Castle Viany, TVS Junction, Kalamassery, Kochi, Kerala. The Company's immediate Holding Company is Reliance Retail Ventures Limited and the Ultimate Holding Company is Reliance Industries Limited. The Company is engaged in the business of wholesale and retail trade of home appliances, all types of consumer products, both imported and indigenous and act as commission agents for dealing in all such products.

## 2. MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

**Going Concern**

During the current year, the Company has reported net loss of ₹ 34.34 crs and accumulated loss of ₹ 72.54 crs. During the year net infusion of funds by the holding company amounts to ₹ 92.65 crs. Further, based on management plans and having consideration to the forecasts for the future periods, the management is confident of generating operating profits in the foreseeable future. Accordingly, these financials statements do not include any adjustments, if any, relating to recoverability and classification of assets or/ and liabilities and have been prepared on a going concern basis based on management judgement and assessment.

### 2.1 Basis of preparation

The Financial Statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the Rules notified under the relevant provisions of the Companies Act, 2013 as amended from time to time.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) Derivative financial instruments

(ii) Certain financial assets and liabilities that are measured at fair value

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest crores upto two decimal places (INR,0000000), except when otherwise indicated.

For all periods up to and including the year ended March 31, 2022, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2023 are the first financial statements, which have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standard) Rules, 2015. Refer Note No. 40 for information on how the Company adopted Ind-AS.

### 2.2 Summary of significant accounting policies

The following are the significant accounting policies applied by the Company in preparing its financial statements:

**a) Current versus 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

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

- Expected to be realized 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 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.

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

### b) Foreign currencies

The Company's financial statements are presented in INR which is also the Company's functional currency.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

### c) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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:

- In the principal market for asset or liability, or
- 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 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 minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 categorization (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

The Company has a team comprising of members of senior management that determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted investments and financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The team decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### d) Revenue

### Revenue from contract with customers

Revenue from contracts 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 those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

**(i) Sale of products and services**

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products at an amount that reflects the consideration entitled in exchange for those goods or services and excludes amounts collected on behalf of third parties. The Company has generally concluded that it is the principal in its revenue arrangement, because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of services is recognized as the service is performed and there are no unfulfilled obligations. The normal credit term is 15 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

***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. The contracts for the sale of goods provide customers with a right of return, which gives rise to variable consideration.

- ***Rights of return***

  As a practice, the Company provides a customer with a right to return in case of any defects or on grounds of quality. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

**(ii) Warranty obligations**

The Company typically provides warranties from third parties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section Provisions.

**(iii) Contract balances**

***Contract assets***

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

***Trade receivables***

A receivable represents the Company's right to 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 in section (q) Financial instruments – initial recognition and subsequent measurement.

***Contract liabilities***

A contract liability 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 made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**(iv) Assets and liabilities arising from rights of return**

***Right of return assets***

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

***Refund liabilities***

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

**Interest income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**e) Government Grants**

Government Grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

### f) 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 recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 reporting date.

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.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

**Sales/ value added/ goods and services taxes paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of sales/ value added/ goods and services taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**g) Property, plant and equipment**

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of tax credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

The Company has used the following useful lives to provide depreciation on its property, plant and equipment:

| Asset Category | Useful life estimated by the management (in years) |
|---|---|
| Leasehold enhancements | 30 / lease term whichever is lower |
| Plant and equipment | 15 |
| Furniture & fixtures | 10 |
| Computers | 3 |
| Electrical equipment | 10 |
| Office equipment | 5 |
| Vehicles | 8 |

**h) Investment Properties**

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable, borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. Investment property as at March 31, 2021 and March 31, 2020 comprise of land.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of de-recognition.

**i) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets are disposed.

**Research and development cost**

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

Intangible assets with finite useful life are amortised on a straight line basis over their estimated useful life as follows:

| Asset Category | Useful life (in years) |
|---|---|
| Software | 10 years |
| Goodwill | 10 years |

### j) Borrowing costs

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.

### k) Leases

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

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

**Company as a lessee**

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether a contract 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 applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Company recognises 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 recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets in the nature of buildings are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying asset (i.e. 30 and 60 years). The right-of-use assets comprising of land is depreciated based on the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

**Lease Liabilities**

At the commencement date of the lease, the Company recognises 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 recognised 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 because 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.

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

The Company's lease liabilities are included in financial liabilities (refer Note 21 and 26).

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

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**l) Inventories**

Inventories are valued at lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Packing materials, consumables and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

**m) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### n) Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of 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, for example, under an insurance contract, 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. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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.

#### Warranty provision

Provision for assurance type warranty-related costs are recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to four years.

#### Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**o) Retirement and other employee benefits**

**Defined contribution schemes**

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company has no obligation, other than the contribution payable to the fund towards such schemes. The Company recognizes contribution payable as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

**Defined benefit scheme**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund maintained with Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

**Compensated Absences**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, as the Company believes that it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**p) Share-based payments**

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

**Equity-settled transactions**

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 payments reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. 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. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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 statement of profit and loss.

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**q) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

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

1. Financial assets at amortised cost (debt instruments)
2. Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
3. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
4. Financial assets at fair value through profit or loss

**Financial assets at amortised cost (debt instruments)**

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to loans, deposits, trade and other receivables.

**Financial assets at fair value through other comprehensive income (FVTOCI)**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

**Financial assets at FVTPL**

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments. Investments in other entity and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

**De-recognition**

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies the expected credit losses (ECL) model for measurement and recognition of impairment loss.

The Company follows "simplified approach" for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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 EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

| Particulars | Current | 1-30 days past due | 31-60 days past due | 61-90 days past due | 91-180 days past due | 181-270 days past due | 271-360 days past due | More than 360 days past due |
|---|---|---|---|---|---|---|---|---|
| Default rate | 0.02% | 2% | 2.5% | 5% | 25% | 30% | 70% | 100% |

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. For financial assets measured as at

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

amortised cost, contractual revenue receivables and lease receivables ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**Financial liabilities:**

**Initial recognition and measurement**

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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 Put Option on the Non-Controlling Interest ("NCI") of subsidiary is initially measured at the present value of the amount payable on exercise of the option.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, put option liability and financial guarantee contracts.

**Subsequent measurement**

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation 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 statement of profit and loss.

Put option liability

The subsequent changes in carrying amount of the Put Option on NCI of subsidiary is recognised in the statement of profit and loss. If the put option is exercised, the entity derecognises the financial liability by discharging the put obligation. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to investment.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

**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.

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

### Embedded derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

### Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

| Original classification | Revised classification | Accounting treatment |
|---|---|---|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in statement of profit and loss. |
| FVTPL | Amortised Cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. |
| FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to statement of profit and loss at the reclassification date. |

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

**Offsetting of financial instruments**

Financials 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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**r) Investment in Subsidiaries, associates and joint ventures**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investment in subsidiary, associate and Joint venture are carried at cost as per IND AS 27. Investment accounted for at cost is accounted for in accordance with IND AS 105 when they are classified as held for sale and Investment carried at cost is tested for impairment as per IND AS 36 . An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee and
- the ability to use its power over the investee to affect the amount of the investor's returns.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**s) Derivative financial instruments**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured 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.

**t) Segment accounting**

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products. Further:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under un-allocable expenditure.
- Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to the financial statements for the year ended March 31, 2024**

- Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.
- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.
- Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

**u) Cash and Cash Equivalents**

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**v) Cash dividend and non-cash distribution**

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders in case of final

dividend and by the board of directors in case of interim dividend. A corresponding amount is recognised directly in equity.

**w) Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**2.3 Changes in accounting policies and disclosures**

There were no changes in accounting policies as compared to previous year

**New and amended standards**

**2.4 Standards issued but not effective**

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

**Bismi Connect Limited**

(Formerly Bismi Connect Private Limited)

**Note 3: Property, Plant & Equipment**

*(₹ in Crs)*

| Particulars | Gross Block | | | | | | | Accumulated Depreciation | | | | | | | Net Book Value | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April 2022 | Additions/ Transfers | Deletions/ Transfers | As at 31st March 2023 | Additions/ Transfers | Deletions/ Transfers | As at 31st March 2024 | As at 1st April 2022 | Depreciation for the year | Deletions/ Transfers | As at 31st March 2023 | Depreciation for the year | Deletions/ Transfers | As at 31st March 2024 | As at 1st April 2022 | As at 31 March 2023 | As at 31 March 2024 |
| **Tangible Assets** | | | | | | | | | | | | | | | | | |
| Leasehold Improvements | 10.57 | 2.02 | - | 12.59 | 0.29 | 0.14 | 12.74 | 1.16 | 0.37 | - | 1.53 | 2.22 | 0.02 | 3.73 | 9.41 | 11.06 | 9.01 |
| Plant and Machinery | 0.96 | - | - | 0.96 | 0.03 | 0.09 | 0.90 | 0.12 | 0.06 | - | 0.18 | 0.05 | 0.02 | 0.21 | 0.84 | 0.78 | 0.69 |
| Furniture and Fittings | 13.06 | 0.30 | - | 13.36 | 0.28 | 0.30 | 13.34 | 2.69 | 1.26 | - | 3.95 | 1.19 | - | 5.14 | 10.37 | 9.41 | 8.20 |
| Electrical Installations | 7.40 | 0.52 | - | 7.92 | 0.48 | 0.34 | 8.06 | 1.32 | 0.68 | - | 2.00 | 0.80 | 0.16 | 2.64 | 6.08 | 5.92 | 5.42 |
| Vehicles | 5.64 | - | - | 5.64 | - | 4.56 | 1.08 | 2.08 | 0.67 | - | 2.75 | 0.21 | 2.40 | 0.56 | 3.56 | 2.89 | 0.52 |
| Office equipments & Computers | 3.51 | 0.11 | - | 3.62 | 0.23 | 0.07 | 3.78 | 1.91 | 0.58 | - | 2.49 | 0.51 | 0.06 | 2.94 | 1.60 | 1.13 | 0.84 |
| **Total** | **41.14** | **2.95** | **-** | **44.09** | **1.31** | **5.50** | **39.90** | **9.28** | **3.62** | **-** | **12.90** | **4.98** | **2.66** | **15.22** | **31.86** | **31.19** | **24.68** |
| **Right of use assets** | | | | | | | | | | | | | | | | | |
| Buildings | 4.92 | 92.42 | - | 97.34 | 7.50 | - | 104.84 | - | 4.80 | - | 4.80 | 10.71 | - | 15.51 | 4.92 | 92.54 | 89.33 |
| **Total** | **4.92** | **92.42** | **-** | **97.34** | **7.50** | **-** | **104.84** | **-** | **4.80** | **-** | **4.80** | **10.71** | **-** | **15.51** | **4.92** | **92.54** | **89.33** |
| **Intangible Asset** | | | | | | | | | | | | | | | | | |
| Computer Software | 0.30 | 0.01 | - | 0.31 | - | - | 0.31 | 0.08 | 0.04 | - | 0.12 | 0.06 | 0.02 | 0.16 | 0.22 | 0.19 | 0.15 |
| Goodwill | 0.25 | - | - | 0.25 | - | 0.25 | - | 0.08 | 0.02 | - | 0.10 | 0.15 | 0.25 | - | 0.17 | 0.15 | - |
| **Total** | **0.55** | **0.01** | **-** | **0.56** | **-** | **0.25** | **0.31** | **0.16** | **0.06** | **-** | **0.22** | **0.21** | **0.27** | **0.16** | **0.39** | **0.34** | **0.15** |
| **Grand total** | **46.61** | **95.38** | **-** | **141.99** | **8.81** | **5.75** | **145.05** | **9.44** | **8.48** | **-** | **17.92** | **15.90** | **2.93** | **30.89** | **37.17** | **124.07** | **114.16** |
| **Capital Work in progress (CWIP)** | | | | | | | | | | | | | | | **2.07** | **0.78** | **-** |

On transition to Ind AS (i.e. 1st April 2022), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

Capital work in progress ₹ Nil as at March 31, 2024 (As at April 1, 2022 : ₹ 2.07 crores and As at 31 March 2022 ₹ 0.78 crores) represents assets under construction at various stores, branches

The ageing of Capital Work in Progress is as follows

**Ageing as at March 31, 2023**

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects in progress | 0.78 | - | - | - | 0.78 |
| Projects temporarily suspended | - | - | - | - | - |

**Ageing as at April 1, 2022**

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects in progress | 0.01 | - | - | 2.06 | 2.07 |
| Projects temporarily suspended | - | - | - | - | - |

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to financial statements for the year ended March 31 2024**
*(All amounts are in ₹ crores unless otherwise stated)*

**4 Investments**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| **Investments at fair value through OCI** | | | |
| Investment in Equity Shares (Refer note a below) | 1.00 | 0.15 | 0.15 |
| Investment in Compulsory Convertible Debuntures (Refer note b below) | - | 0.85 | 0.85 |
| Less : Provision for investments | (1.00) | - | - |
| | **-** | **1.00** | **1.00** |

**Notes**

**a Investment in Equity Shares**

The company has invested in 1,50,000 Equity Shares of ₹ 10/- each in Amstrad Consumer India Private Limited (formally Known as Ovot Private Limited) fully paid up at cost.

**b Investment in Debentures**

The company has invested in 1,00,000 0% Compulsorily Convertible Debuntures of ₹ 85/- each in Amstrad Consumer India Private Limited (formally Known as Ovot Private Limited) fully paid up at cost.
As per the terms of issue, the Compulsorily Convertible Debentures were converted into 8,50,000 equity shares of Rs. 10 each on 31-12-2023.

**5 Other Financial Assets**
*(Unsecured, considered good carried at amortised cost)*

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| Security Deposits * | 4.98 | 5.27 | 8.46 |
| Other deposits and advances | - | 14.16 | 9.39 |
| | **4.98** | **19.43** | **17.85** |

* includes lease rental , electricity deposits etc.

**6 Deferred Tax Asset (Net)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| Tax effect of items consituting deferred tax assets | | | |
| Impairment allowance for doubtful advances, | 2.05 | - | - |
| Others | 0.11 | 0.06 | - |
| Tax effect of items consituting deferred tax assets | | | |
| Difference in book balance and tax balance of property plant and equipment | 1.25 | (0.56) | (0.57) |
| Deferred Tax Asset/ (Liability) (Net) | **3.41** | **(0.50)** | **(0.57)** |
| | | | |
| Deferred tax movement is as follows | | | |
| Balance at the start of the year | (0.50) | (0.57) | (0.45) |
| Charged to the Statement of Profit and Loss | 3.90 | 0.07 | (0.12) |
| Charged to Other Comprehensive Income | 0.01 | - | - |
| Balance at the end of the year | 3.41 | (0.50) | (0.57) |

Deferred tax assets have not been recognised in respect of carried forward losses as they may not be used to offset taxable profits and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognise all unrecognised deferred tax assets, the profit would increase by ₹ 5.41 crores

**7 Inventories**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| Traded goods (at lower of cost and net realisable value) | 59.12 | 57.42 | 69.80 |
| | **59.12** | **57.42** | **69.80** |

As at March 31, 2023 and April 1, 2022 inventories were hypothecated with banks cash credit loan facility availed.

**8 Trade receivables**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| Unsecured and considered good | 4.33 | 3.23 | 1.70 |
| Receivables from related parties (Refer note 29) | | | |
| | **4.33** | **3.23** | **1.70** |

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to financial statements for the year ended March 31 2024**
*(All amounts are in ₹ crores unless otherwise stated)*

Trade receivables ageing
**As at March 31, 2024**

| Particulars | Not Due | <6 months | 6 months - 1 year | 1-2 years | 2-3 years | > 3 years | Total |
|---|---|---|---|---|---|---|---|
| (i) Undisputed Trade receivables considered good | - | 4.28 | 0.05 | - | - | - | **4.33** |
| (ii) Undisputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables credit impaired | - | - | - | - | - | - | - |
| **Total** | - | **4.28** | **0.05** | - | - | - | **4.33** |

**As at March 31, 2023**

| Particulars | Not Due | <6 months | 6 months - 1 year | 1-2 years | 2-3 years | > 3 years | Total |
|---|---|---|---|---|---|---|---|
| (i) Undisputed Trade receivables considered good | - | 2.72 | 0.25 | 0.26 | - | - | **3.23** |
| (ii) Undisputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables credit impaired | - | - | - | - | - | - | - |
| **Total** | - | **2.72** | **0.25** | **0.26** | - | - | **3.23** |

**As at March 31, 2022**

| Particulars | Not Due | <6 months | 6 months - 1 year | 1-2 years | 2-3 years | > 3 years | Total |
|---|---|---|---|---|---|---|---|
| (i) Undisputed Trade receivables considered good | - | 1.66 | 0.04 | - | - | - | **1.70** |
| (ii) Undisputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables credit impaired | - | - | - | - | - | - | - |
| **Total** | - | **1.66** | **0.04** | - | - | - | **1.70** |

**9 Cash and cash equivalents**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| Balances with banks in current accounts | 1.10 | 0.39 | 0.58 |
| Cheques on hand | 0.06 | 0.11 | - |
| Cash on hand | 0.86 | 0.62 | 0.93 |
| | **2.02** | **1.12** | **1.51** |

**10 Other financial assets**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| Deposits, including security deposits | - | - | - |
| Other receivables | 4.16 | 6.09 | 8.89 |
| | **4.16** | **6.09** | **8.89** |

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to financial statements for the year ended March 31 2024**
*(All amounts are in ₹ crores unless otherwise stated)*

**11 Other current assets**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| Balances with Government authorities | 5.27 | 3.77 | 5.28 |
| Advances to employees | - | 0.55 | 0.31 |
| Prepaid expenses | 0.24 | 0.28 | 0.15 |
| Others | - | 0.10 | 20.48 |
| Advance for expenses | 0.06 | 0.90 | - |
| | **5.57** | **5.60** | **26.22** |

**12 Share Capital**

| | Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|---|
| a | **Authorised Capital** | | | |
| | 1,00,00,000 equity shares of 10/- each | 10.00 | 10.00 | 10.00 |
| | (Previous year 1,00,00,000 equity shares of 10/- each) | | | |
| b. | **Issued, Subscribed and Paid up shares** | | | |
| | 85,71,429 equity shares of 10/- each | 8.57 | 8.57 | 8.57 |
| | (Previous year 85,71,429 equity shares of 10/- each) | | | |

**c.** (i) The shares of the Company were acquired by Reliance Retail Ventures Limited, the holding company, along with its nominees from the previous shareholders on 31-5-2023 and the Company became a wholly owned subsidiary of Reliance Retail Ventures Limited.

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the reported period

| Equity Shares | As at March 31, 2024 | | As at March 31, 2023 | | As at April 1, 2022 | |
|---|---|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount |
| At the beginning of the period | 85,71,429 | 8.57 | 85,71,429 | 8.57 | 85,71,429 | 8.57 |
| Issued during the period | - | | - | | - | |
| **Outstanding at the end of the period** | **85,71,429** | **8.57** | **85,71,429** | **8.57** | **85,71,429** | **8.57** |

**(ii) Terms/ rights attached to equity shares**

The Company has issued only one class of equity share having a face value of Rs. 10/- per share. The holder of each equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential creditors and other creditors, in the order of priority. The distribution will be in proportion to the number of equity shares held by shareholders.

**d. List of shareholders holding more than 5 percent**

| Name of shareholder | As at March 31, 2024 | | As at March 31, 2023 | | As at April 1, 2022 | |
|---|---|---|---|---|---|---|
| | No. of shares | % of shares held | No. of shares | % of shares held | No. of shares | % of shares held |
| Mr.Veliyath Abdul Hameed Ajmal | - | - | 37,50,000 | 43.75% | 37,50,000 | 43.75% |
| Ms.Valiyaveetil Yousuf Shabani | - | - | 37,50,000 | 43.75% | 37,50,000 | 43.75% |
| KCM Appliance Private Limited | - | - | 10,71,429 | 12.50% | 10,71,429 | 12.50% |
| Reliance Retail Ventures Limited | 85,71,423 | 100% | - | - | - | - |
| | **85,71,423** | **100%** | **85,71,429** | **100%** | **85,71,429** | **100.00%** |

**e. Shares held by ultimate holding company and / or their subsidiaries/ associates**

| Name of shareholder | As at March 31, 2024 | | As at March 31, 2023 | | As at April 1, 2022 | |
|---|---|---|---|---|---|---|
| | No. of shares | % of shares held | No. of shares | % of shares held | No. of shares | % of shares held |
| Reliance Retail Ventures Limited | 85,71,423 | 100% | - | - | - | - |

f **Shares held by the Promoters:**

**As at March 31, 2024**

| Promoters Name | No. of Shares March 31, 2024 | No. of March 31, 2023 | % of Total shares | % Change during the year |
|---|---|---|---|---|
| Mr.Veliyath Abdul Hameed Ajmal | - | 37,50,000 | 43.75% | -100.00% |
| Ms.Valiyaveetil Yousuf Shabani | - | 37,50,000 | 43.75% | -100.00% |
| KCM Appliances Private Limited | - | 10,71,429 | 12.50% | -100.00% |
| Reliance Retail Ventures Limited | 85,71,423 | - | 100.00% | 100.00% |

**As at March 31, 2023**

| Promoters Name | No. of Shares March 31, 2023 | No. of Shares March 31, 2022 | % of Total shares | % Change during the year |
|---|---|---|---|---|
| Mr.Veliyath Abdul Hameed Ajmal | 37,50,000 | 37,50,000 | 43.75% | - |
| Ms.Valiyaveetil Yousuf Shabani | 37,50,000 | 37,50,000 | 43.75% | - |
| KCM Appliances Private Limited | 10,71,429 | 10,71,429 | 12.50% | - |
| | **85,71,429** | **85,71,429** | **100.00%** | - |

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to financial statements for the year ended March 31 2024**
*(All amounts are in ₹ crores unless otherwise stated)*

**13 Other Equity**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| **Security Premium Account** | | | |
| Balance at the beginning of the year | 4.93 | 4.93 | 4.93 |
| Additions during the year | - | - | - |
| **Balance at the end of the year** | **4.93** | **4.93** | **4.93** |
| | | | |
| **Retained earnings** | | | |
| Balance at the beginning of the year | (38.25) | 3.17 | 2.10 |
| Profit / (Loss) for the year | (34.29) | (41.42) | 1.07 |
| Balance at the end of the year | **(72.54)** | **(38.25)** | **3.17** |
| | | | |
| **Other Comprehensive income** | | | |
| Balance at the beginning of the period | (0.08) | - | - |
| Items that will not be reclassified to the Statement of Profit & Loss | - | - | - |
| Remeasurement gains / losses on Defined Benefit Plan | (0.04) | (0.08) | - |
| Deferred tax impact | 0.16 | | - |
| Balance at the end of the period | **0.04** | **(0.08)** | **-** |
| | | | |
| **Total other equity** | **(67.57)** | **(33.40)** | **8.10** |

**14 Borrowings**
(carried at amortised cost)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| **Non current borrowings** | | | |
| Secured | - | 11.03 | 10.62 |
| Term loans (Refer note a below) | | | |
| Unsecured | - | - | - |
| Loan From Holding Company ( refer note c below) | 92.65 | - | - |
| | **92.65** | **11.03** | **10.62** |
| **Current borrowings** | | | |
| Secured | - | - | 59.92 |
| Current maturities of long term debt - Term loans (Refer note a below) | - | 4.67 | 5.10 |
| Loans payable on demand from banks - Cash credit facilities (Refer note b below) | - | 38.81 | - |
| | | | |
| Unsecured | | | |
| Loan from Holding Company (Refer note c below) | - | - | - |
| Loans from financial institutions (Refer note d below) | - | 15.80 | - |
| Loans from directors (Refer note d below) | - | 2.14 | - |
| | **-** | **61.42** | **65.02** |

Notes

a) Term loans are secured by way of hypothecation of fixed assets acquired out of the loan amounts.

b) Cash credit facilities from banks is secured by way of hypothecation of 75% of inventories and 60% of trade receivables not older than 90 days

c) Unsecured loan represents loans availed from the Holding Company - Reliance Retail Ventures Limited. This loan carries an interest rate of 9% per annum and is repayable within a period of 3 years or such extended periods as may be mutually agreed between the two companies.

d) Loans from financial institutions represents trade finance from Bajaj Finance Ltd, HDB Financial Services Ltd and IDFC First bank.

**15 Lease liabilities**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| Non current portion | 88.17 | 85.96 | 3.52 |
| | **88.17** | **85.96** | **3.52** |
| | | | |
| Current portion | 5.54 | 4.82 | 1.19 |
| | **5.54** | **4.82** | **1.19** |

**16 Provisions**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| **Non current portion** | | | |
| Provision for employee benefits | 0.39 | 0.55 | 0.51 |
| | **0.39** | **0.55** | **0.51** |
| **Current portion** | | | |
| Provision for employee benefits | 0.03 | 0.05 | 0.04 |
| Provision for expenses | 3.94 | - | - |
| | **3.97** | **0.05** | **0.04** |

**Bismi Connect Limited**
**(Formerly Bismi Connect Private Limited)**
**Notes to financial statements for the year ended March 31 2024**
*(All amounts are in ₹ crores unless otherwise stated)*

**17 Trade Payables**
(carried at amortised cost)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| MSME | 2.57 | - | - |
| Dues of creditors other than micro enterprises and small enterprises | 61.06 | 71.32 | 67.27 |
| | **63.63** | **71.32** | **67.27** |

**Trade Payable Ageing Schedule**

**As at March 31, 2024**

| Particulars | Not due | < 1 year | 1-2 years | 2-3 years | >3 years | Total |
|---|---|---|---|---|---|---|
| (i) MSME | 2.57 | - | - | - | - | 2.57 |
| (ii) Others | 54.75 | 6.31 | - | - | - | 61.06 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - |
| **Total** | **57.32** | **6.31** | **-** | **-** | **-** | **63.63** |

**As at March 31, 2023**

| Particulars | Not due | < 1 year | 1-2 years | 2-3 years | >3 years | Total |
|---|---|---|---|---|---|---|
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | - | 70.77 | 0.42 | 0.06 | 0.07 | 71.32 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - |
| **Total** | **-** | **70.77** | **0.42** | **0.06** | **0.07** | **71.32** |

**As at April 1, 2022**

| Particulars | Not due | < 1 year | 1-2 years | 2-3 years | >3 years | Total |
|---|---|---|---|---|---|---|
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | - | 66.98 | 0.26 | 0.01 | 0.02 | 67.27 |
| (iii) Disputed Dues - MSME | - | - | - | - | - | - |
| (iv) Disputed Dues - Others | - | - | - | - | - | - |
| **Total** | **-** | **66.98** | **0.26** | **0.01** | **0.02** | **67.27** |

(iii) Disclsoures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:
*There are no overdue amounts to Micro, Small and Medium Enterprises as at 31st March, 2024 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.*

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) Principal amount and interest due there on remaining unpaid to any supplier as at the end of the accounting year : | | |
| Principal amount due to micro and small enterprises | 2.57 | - |
| Interest due on the above | - | - |
| (b) The amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day. | - | - |
| (c) 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 the MSMED Act | - | - |
| (d) The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| (e) The amount of further interest 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 | - | - |

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

**18 Other financial liabilities**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| Security deposits * | 0.01 | 1.46 | 0.01 |
| | **0.01** | **1.46** | **0.01** |

* Sub-Rental deposits collected.

**19 Other current liabilities**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at April 01, 2022 |
|---|---|---|---|
| Statutory dues * | 0.43 | 0.43 | 0.14 |
| Contract liabilities | 1.31 | 0.94 | - |
| Others | 1.05 | 5.59 | 0.80 |
| | **2.79** | **6.96** | **0.94** |

* includes TDS/TCS payable and employee related statutory dues.

Note: Previous period figures have been regrouped according to grouping as per current period

**Bismi Connect Limited**
(Formerly Bismi Connect Private Limited)
**Notes to financial statements for the year ended March 31 2024**
*(All amounts are in ₹ crores unless otherwise stated)*

## 20 Revenue from operations

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Income from sale of products | 384.30 | 374.71 |
| Income from services | 1.21 | 0.95 |
| | **385.51** | **375.66** |

## 21 Other Income

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Interest received * | 1.13 | 1.35 |
| Other Income | 0.70 | 0.46 |
| | **1.83** | **1.81** |

* includes interest on Loan given to fellow subsidiary and Interest on Rental deposit (as per Ind 116)

## 22 Purchase of traded goods

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Purchase of traded goods | 351.63 | 316.39 |
| | **351.63** | **316.39** |

## 23 Change in inventories of stock in trade

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Inventories at the end of the year | | |
| Stock in trade | 59.12 | 57.42 |
| | | |
| Inventories at the beginning of the year | 57.42 | 69.80 |
| Stock in trade | | |
| | **(1.70)** | **12.38** |

## 24 Employee benefits expenses

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Salaries and Wages | 9.34 | 9.58 |
| Contribution to Provident and Other Funds | 0.43 | 0.66 |
| Gratuity expenses (Refer note 28) | 0.16 | - |
| Staff Welfare Expenses | 0.43 | 0.61 |
| | **10.36** | **10.85** |

**Bismi Connect Limited**

(Formerly Bismi Connect Private Limited)

**Notes to financial statements for the year ended March 31 2024**

*(All amounts are in ₹ crores unless otherwise stated)*

**25 Finance costs**

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Interest on lease liability (Refer note 32) | 8.40 | 3.28 |
| Interest on borrowings | 8.46 | 8.11 |
| | **16.86** | **11.39** |

**26 Other expenses**

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Sales promotion and advertisement | 10.79 | 11.85 |
| Store running expenses | 1.35 | 1.16 |
| Brokerage and commission | 1.09 | 0.38 |
| Warehousing and distribution expenses | 2.88 | 2.17 |
| Repairs & Maintenance | 0.59 | 0.73 |
| Rent | 2.36 | 9.48 |
| Insurance | 0.24 | 0.25 |
| Rates & Taxes | 0.48 | 2.50 |
| Travelling & Conveyance | 0.15 | 0.51 |
| Audit fee | 0.12 | 0.10 |
| Professional charges | 2.01 | 0.85 |
| Loss on sale/ discarding of assets | 0.92 | - |
| Electricity charges | 4.92 | 2.93 |
| Miscellaneous expenses | 3.03 | 3.03 |
| Bad Debts written off | 0.67 | - |
| Loss on investment | 1.00 | - |
| | **32.60** | **35.94** |
| (i) Payments to auditors comprises: | | |
| Statutory audit fee | 0.11 | 0.10 |
| Tax audit fee | 0.01 | - |
| Reimbursement of expenses | - | - |

* Previous period figures have been regrouped according to grouping as per current period

**27 Contingencies and commitments**

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Claims against the company not acknowledged as debt | 0.27 | - |
| | **0.27** | - |

**Bismi Connect Limited**
(Formerly Bismi Connect Private Limited)
**Notes to financial statements for the year ended March 31 2024**
*(All amounts are in ₹ crores unless otherwise stated)*

**28 Employee Benefit Plans**

**Defined Contribution Plan**
The Company mainly makes Provident Fund (PF), Employee's state insurance (ESI) and Superannuation fund contributions to a defined contribution plan for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised ₹ 0.36 crores (year ended March 31, 2023: ₹ 0.54 crores) towards PF contributions, ₹.0.06 crores (year ended March 31, 2023: ₹. 0.11 crores) towards ESI contributions and ₹. 0.006 crores (year ended March 31, 2023: ₹ 0.008 crores) towards labour welfare fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at the rates specified in the rules of the scheme.

**Defined Benefit Plan - Gratuity**
The following table sets out the funded status of the gratuity scheme and the amount recognised in the financial statements pertaining to the Company:

*(₹ in Crs)*

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Change in present value of defined benefit obligations:** | | |
| Benefit obligations at the beginning of the year | 0.60 | 0.55 |
| Current service cost | 0.06 | 0.12 |
| Interest cost | 0.05 | 0.04 |
| Remeasurements - Acturial (gains) / losses | 0.06 | (0.08) |
| Benefits paid | (0.42) | (0.03) |
| **Benefit obligations at the end of the year** | **0.35** | **0.60** |
| | | |
| **Change in fair value of plan assets during the year:** | | |
| Plan assets at the beginning of year | - | - |
| Expected return on plan assets | - | - |
| Actual contributions | - | - |
| Acturial gain/ (loss) | - | - |
| Benefits paid during the year | - | - |
| **Plan assets at the end of year** | **-** | **-** |
| Actual return on plan assets | | - |
| | | |
| **Components of employer expense** | | |
| Current service cost | 0.06 | 0.12 |
| Interest cost | 0.05 | 0.04 |
| **Expenses recognised in the statement of profit and loss** | **0.11** | **0.16** |
| | | |
| **Net (Asset)/ Liability recognised in Balance sheet** | | |
| Present value of defined benefit obligation | 0.35 | 0.60 |
| | - | - |
| Funded status (surplus)/ deficit | 0.35 | 0.60 |
| **Net (Asset)/ Liability recognised in Balance sheet** | **0.35** | **0.60** |
| | | |
| **Remeasurement (gains) / loss recognized in other comprehensive income:** | | |
| Return on plan assets (excluding amounts included in net interest expense) | - | - |
| Actuarial (gain)/loss arising from demographic assumptions | - | - |
| Actuarial (gain)/loss arising from financial assumptions | (0.02) | - |
| Actuarial (gain)/loss arising from experience adjustments | 0.08 | (0.07) |
| **Remeasurement of the net defined benefit liability** | **0.06** | **(0.07)** |

**The principal assumptions used in determining gratuity obligation for the Company's plan are as follows:**

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Discount rate | 7.23% | 7.55% |
| Rate of increase in compensation levels of covered employees | 6.00% | 7.00% |
| Attrition rate | 7.00% | 10.00% |
| Mortality | 100% of IALM (2012-14) | 100% of IALM (2012-14) |

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

| **Particulars** | **For the year ended March 31, 2024** | |
|---|---|---|
| | **0.5% decrease** | **0.5% increase** |
| Impact on defined benefit obligation (increase/(decrease)) due to change in discount rate | 0.02 | (0.01) |
| Impact on defined benefit obligation (increase/(decrease)) due to change in salary escalation rate | (0.01) | 0.02 |

| **Particulars** | **For the year ended March 31, 2023** | |
|---|---|---|
| | **0.5% decrease** | **0.5% increase** |
| Impact on defined benefit obligation (increase/(decrease)) due to change in discount rate | 0.05 | (0.05) |
| Impact on defined benefit obligation (increase/(decrease)) due to change in salary escalation rate | (0.05) | 0.05 |

**Bismi Connect Limited**
(Formerly Bismi Connect Private Limited)
**Notes to financial statements for the year ended March 31 2024**
*(All amounts are in ₹ crores unless otherwise stated)*

**29 Related Party Disclosures:**

**i. List of related parties with whom transactions have taken place and relationship**

| Sr no | Name of related party | Relationship |
|---|---|---|
| 1 | Reliance Retail Limited | Fellow Subsidiary |
| 2 | Reliance Retail ventures Limited | Holding Company |
| 3 | Bismi Hypermart Limited | Fellow Subsidiary |
| 4 | Reliance Jio Infocom Limited | Fellow Subsidiary |
| 5 | VA Hameed Ajmal | Key Managerial Personnel* |
| 6 | VY Shabani | Director* |
| 7 | Thodupuzha Retail Private Limited | Fellow Subsidiary** |
| 8 | Vengara Retail Private Limited | Fellow Subsidiary** |
| 9 | Nettoor Agro LLP | Enterprises in which directors / relatives have significant influence* |
| 10 | Bismi Appliances | Enterprises in which directors / relatives have significant influence* |
| 11 | Kalanikethan Fashions Limited | Fellow Subsidiary |

* No longer related parties as on 31 March 2024
** Previous year 2022-23 - Enterprises in which directors / relatives have significant influence

**ii. Transactions during the year with related parties (excluding reimbursements)** ***(₹ in Crs)***

| Sr no | Nature of Transactions | Holding Company | Fellow Subsidiaries | Key Managerial Personnel | Enterprises over which Key Managerial Personnel are able to exercise significant influence | Director | Total |
|---|---|---|---|---|---|---|---|
| 1 | Rent and Other expenses (net) | **-** | **0.56** | **0.11** | **0.13** | **-** | **0.80** |
| | | - | *0.81* | *0.62* | *0.74* | - | 2.17 |
| 2 | Expenses recovered | **-** | **-** | **-** | **-** | **-** | - |
| | | - | - | - | - | - | - |
| | | | | | | | - |
| 3 | Loan advanced | **-** | **3.48** | **-** | **-** | **-** | **3.48** |
| | | - | *9.78* | - | - | - | 9.78 |
| | | | | | | | - |
| 4 | Loan advanced received back | **-** | **17.64** | **-** | **-** | **-** | **17.64** |
| | | - | *4.92* | - | - | - | 4.92 |
| | | | | | | | - |
| 5 | Interest received on Loan advanced | **-** | **0.40** | **-** | **-** | **-** | **0.40** |
| | | - | *1.02* | - | - | - | 1.02 |
| | | | | | | | - |
| 6 | Rent received | **-** | **-** | **-** | **-** | **-** | - |
| | | - | **-** | - | - | - | - |
| | | | | | | | - |
| 7 | Purchase of goods / services | **-** | **69.08** | **-** | **-** | **-** | **69.08** |
| | | - | *0.11* | - | - | - | 0.11 |
| | | | | | | | - |
| 8 | Sale of goods / services | **-** | **0.27** | **0.15** | **-** | **-** | **0.42** |
| | | - | *0.19* | - | - | - | 0.19 |
| | | | | | | | - |
| 9 | Repayment of Security Deposit | **-** | **1.45** | **-** | **-** | **-** | **1.45** |
| | | - | - | - | - | - | - |
| | | | | | | | - |
| 10 | Intercompany Deposit taken (net) | **92.65** | **-** | **-** | **-** | **-** | **92.65** |
| | | - | - | - | - | - | - |
| | | | | | | | - |
| 11 | Interest paid on intercompany deposit | **6.68** | **-** | **-** | **-** | **-** | **6.68** |
| | | - | - | - | - | - | - |
| | | | | | | | - |
| 12 | Loan taken | **-** | **-** | - | **-** | - | - |
| | | - | - | *5.55* | - | *0.50* | *6.05* |
| | | | | | | | - |
| 13 | Loan repaid | **-** | **-** | **2.05** | **-** | **0.03** | **2.08** |
| | | - | - | *3.45* | - | *0.46* | 3.91 |
| | | | | | | | - |
| 14 | Salary paid | **-** | **-** | **0.10** | **-** | **0.10** | **0.20** |
| | | - | - | *0.61* | - | *0.61* | 1.22 |
| | | | | | | | - |
| 15 | Advance paid off | **-** | **-** | **-** | **0.04** | **-** | **0.04** |
| | | - | - | - | - | - | - |
| | | | | | | | - |
| 16 | Advances for Expenses taken | **-** | **-** | **-** | **-** | **-** | - |
| | | - | - | - | *1.34* | - | *1.34* |
| | | | | | | | - |
| 17 | Purchase of Fixed Assets | **-** | - | **-** | **-** | **-** | - |
| | | - | *0.01* | - | - | - | *0.01* |

Figures in italics represents previous year's amount.

**Bismi Connect Limited**
(Formerly Bismi Connect Private Limited)
**Notes to financial statements for the year ended March 31 2024**
*(All amounts are in ₹ crores unless otherwise stated)*

**iii. Disclosure in respect of related party transactions during the year:** ***(₹ in Crs)***

| Sr No | Particulars | Relationship | 2023-24 | 2022-23 |
|---|---|---|---|---|
| 1 | **Rent and Other expenses (net)** | | | |
| | Bismi Hypermart Limited | Fellow Subsidiary | 0.56 | 0.24 |
| 2 | **Intercompany loan advanced received back** | | | |
| | Bismi Hypermart Limited | Fellow Subsidiary | 17.64 | 4.92 |
| 3 | **Interest received on loan advanced** | | | |
| | Bismi Hypermart Limited | Fellow Subsidiary | 0.40 | 1.02 |
| 4 | **Purchase of goods / services** | | | |
| | Reliance Retail Limited | Fellow Subsidiary | 68.94 | - |
| | Bismi Hypermart Limited | Fellow Subsidiary | 0.08 | 0.11 |
| | Reliance Jio Infocom Limited | Fellow Subsidiary | 0.06 | |
| 5 | **Sale of goods / services** | | | |
| | Bismi Hypermart Limited | Fellow Subsidiary | 0.27 | 0.17 |
| | Vengara Retail Private Limited | Fellow Subsidiary | - | 0.02 |
| | VA Hameed Ajmal | Key managerial personnnel | 0.15 | - |
| 6 | **Loan advanced** | | | |
| | Bismi Hypermart Limited | Fellow Subsidiary | 3.48 | 9.78 |
| 7 | **Repayment of Security Deposit** | | | |
| | Kalanikethan Fashions Limited | Fellow Subsidiary | 1.45 | - |
| 8 | **Intercompany Deposit taken (net)** | | | |
| | Reliance Retail ventures Limited | Holding company | 92.65 | - |
| 9 | **Interest paid on intercompany Deposit** | | | |
| | Reliance Retail ventures Limited | Holding company | 6.68 | - |
| 10 | **Lease rent paid** | | | |
| | VA Hameed Ajmal | Key managerial personnnel | 0.11 | 0.62 |
| | Bismi Appliances | Enterprises in which directors / relatives have significant influence | 0.13 | 0.74 |
| | Vengara Retail Private Limited | Fellow Subsidiary | - | 0.06 |
| | Thodupuzha Retail Private Limited | Fellow Subsidiary | - | 0.51 |
| 11 | **Loan taken** | | | |
| | VA Hameed Ajmal | Key managerial personnnel | - | 5.55 |
| | VY Shabani | Director | - | 0.50 |
| 12 | **Loan repaid** | | | |
| | VA Hameed Ajmal | Key managerial personnnel | 2.05 | 3.45 |
| | VY Shabani | Director | 0.03 | 0.46 |
| 13 | **Salary paid** | | | |
| | VA Hameed Ajmal | Key managerial personnnel | 0.10 | 0.61 |
| | VY Shabani | Director | 0.10 | 0.61 |
| 14 | **Purchase of Fixed Assets** | | | |
| | Bismi Hypermart Limited | Fellow subsidiary | - | 0.01 |
| 15 | **Advance for expenses** | | | |
| | Bismi Appliances | Enterprises in which directors / relatives have significant influence* | - | 1.34 |
| 16 | **Advance paid off** | | | |
| | Bismi Appliances | Enterprises in which directors / relatives have significant influence* | 0.04 | - |

**iv. Disclosure of related party balances at the end of the year:**

| Sr No | Particulars | Relationship | 2023-24 | 2022-23 |
|---|---|---|---|---|
| 1 | **Trade Payable** | | | |
| | Reliance Retail Limited | Fellow Subsidiary | (29.70) | - |
| | Reliance Jio Infocom Limited | Fellow Subsidiary | - | - |
| 2 | **Trade receivables** | | | |
| | Bismi Hypermart Limited | Fellow Subsidiary | 0.03 | 14.98 |
| | Nettoor Agro LLP | Enterprises in which directors / relatives have significant influence | - | 0.04 |
| 3 | **Intercompany Deposit taken (net)** | | | |
| | Reliance Retail ventures Limited | Holding company | (92.65) | - |
| 4 | **Amount Payable against loan advanced** | | | |
| | VA Hameed Ajmal | Key managerial personnnel | - | (2.12) |
| | VY Shabani | Director | | (0.04) |
| 5 | **Rent Expenses Payable** | | | |
| | Vengara Retail Private Limited | Fellow Subsidiary | - | (0.01) |
| | Thodupuzha Retail Private Limited. | Fellow Subsidiary | - | (0.23) |
| | Bismi Appliances | Enterprises in which directors / relatives have significant influence | - | (0.09) |

**Bismi Connect Limited**
(Formerly Bismi Connect Private Limited)
**Notes to financial statements for the year ended March 31 2024**
*(All amounts are in ₹ crores unless otherwise stated)*

**30 Segment reporting**

The Company's operations relate to only one business segment, viz retail trade of consumer goods. Hence there are no additional disclosures with respect to be provided under Ind AS - 108 - Segment Information with respect to the single reportable segment other than those already provided in the financial statements.

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **31 Earnings per share (EPS)** | | |
| Face value per Equity Share | ₹ 10.00 | ₹ 10.00 |
| **Basic Earnings per share** | **(39.98)** | **(48.33)** |
| Net profit/ (loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders ( Rs in Crs) | (34.29) | (41.42) |
| Weighted average number of Equity shares used as denominator for calculating Diluted EPS | **85,71,429** | **85,71,429** |
| **Diluted Earnings per share** | **(39.98)** | **(48.33)** |
| Net profit/ (loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders ( Rs in Crs) | (34.29) | (41.42) |
| Weighted average number of Equity shares used as denominator for calculating Diluted EPS | **85,71,429** | **85,71,429** |

**32 Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors capital using a gearing ratio, which is debt divided by equity plus debt.
- Equity includes equity share capital and other equity which is attributable to the equity shareholders
- Debt includes borrowings, financial liabilities(current and non current), lease liabilities and trade payables

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Borrowings - non current | 92.65 | 11.03 |
| Borrowings - current | - | 61.42 |
| Other financial liabilities - current | 0.01 | 1.46 |
| Lease liabilities - non current | 88.17 | 85.96 |
| Lease liabilities - current | 5.54 | 4.82 |
| Trade payables | 63.63 | 71.32 |
| **Debt** | **250.00** | **236.01** |
| Equity share capital | 8.57 | 8.57 |
| Other equity | (67.57) | (33.40) |
| **Equity** | **(59.00)** | **(24.83)** |
| **Capital (Debt + Equity)** | 191.00 | 211.18 |
| **Gearing Ratio (Debt/ Capital)** | 131% | 112% |

**33 Financial risk management**

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**Foreign Currency risk**

Foreign Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.The Company has no assets receivable or liabilities payable in foreign currencies, hence no further disclosures provided.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**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 includes interest rate risk.

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

*(All amounts are in ₹ crores unless otherwise stated)*

**Liquidity risk**
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits from Holding Company

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 and March 31, 2023:

| Particulars | Maturity period | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Financial liabilities - Non currrent** | | | |
| Borrowings | Between 1 - 3 years | 92.65 | 11.03 |
| Lease liabilities | Between 1 - 5 years | 59.41 | - |
| Borrowings | More than 3 years | - | - |
| Lease liabilities | More than 5 years | 28.76 | 85.96 |
| **Financial liabilities - Current** | | | |
| Borrowings | Within 1 year | - | 61.42 |
| Trade payables | Within 1 year | 63.63 | 71.32 |
| Lease liabilities | Within 1 year | 5.54 | 4.82 |
| Other financial liabilities | Within 1 year | 0.01 | 1.46 |

**Interest rate risk**
The Company obtains financing through borrowings. The Company`s policy is to obtain the most favourable interest rates available. The Company`s exposure to interest rate risk relates primarily to interest bearing financial liabilities. Interest rate risk is managed by the Company on an on-going basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates.

**34 Financial instruments**
Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

| Particulars | Carrying value | | | Fair value | | |
|---|---|---|---|---|---|---|
| **Financial assets** | **March 31, 2024** | **March 31, 2023** | **April 1, 2022** | **March 31, 2024** | **March 31, 2023** | **April 1, 2022** |
| **Amortised cost** | | | | | | |
| Trade receivables | 4.33 | 3.23 | 1.70 | 4.33 | 3.23 | 1.70 |
| Cash and cash equivalents | 2.02 | 1.12 | 1.51 | 2.02 | 1.12 | 1.51 |
| Other financial assets | 9.14 | 25.52 | 26.74 | 9.14 | 25.52 | 26.74 |
| **FVTOCI** | | | | | | |
| Investment in equity instruments | - | 1.00 | 1.00 | - | 1.00 | 1.00 |
| **Total assets** | **15.49** | **30.87** | **30.95** | **15.49** | **30.87** | **30.95** |
| **Financial liabilities** | | | | | | |
| **Amortised cost** | | | | | | |
| Borrowings | 92.65 | 72.45 | 75.64 | 92.65 | 72.45 | 75.64 |
| Trade payables | 63.63 | 71.32 | 67.27 | 63.63 | 71.32 | 67.27 |
| Lease liabilties | 93.71 | 90.78 | 4.71 | 93.71 | 90.78 | 4.71 |
| Other financial liabilities | 0.01 | 1.46 | 0.01 | 0.01 | 1.46 | 0.01 |
| **Total liabilities** | **250.00** | **236.01** | **147.63** | **250.00** | **236.01** | **147.63** |

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:
> Investment in equity instruments has been designated by the Company as asset carried at fair value through other comprehensive income. The Company has valued the instruments by using the cost approach. The valuation requires management to make certain assumptions about the inputs. The change in carrying value represents change in fair value.
> The management assessed that the carrying values of cash and bank balances, trade receivables, trade payables, lease liabilities and other financial assets and liabilities approximate their fair values largely due to their short-term maturities.
> The management assessed that the carrying values of bank deposits, borrowings and other financial assets and liabilities approximate their fair values based on cash flow discounting using parameters such as interest rates, tenure of instrument, creditworthiness of the customer and the risk characteristics of the financed project, as applicable.

All the financial assets and liabilities are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs as explained above. There have been no transfers between levels during the year.

**35 Leases**
(a) The Company's lease asset primarily consist of lease for land and buildings for showrooms having the various lease terms. The Company also has certain leases with lease terms of 12 months or less. The Company applies the short term lease recognition exemptions for these leases.

(b) Following is carrying value of right of use assets recognised and the movements thereof:

| Particulars | Amount |
|---|---|
| Balance as at April 1, 2022 | 4.92 |
| Additions during the year | 92.42 |
| Deletions during the year | - |
| Depreciation of Right of use assets | (4.80) |
| **Balance as at March 31, 2023** | **92.54** |
| Additions during the year | 7.50 |
| Deletions during the year | - |
| Depreciation of Right of use assets | (10.71) |
| **Balance as at March 31, 2024** | **89.33** |

*(All amounts are in ₹ crores unless otherwise stated)*

(c) Following is carrying value of lease liability recognised and the movements thereof :

| Particulars | Amount |
|---|---|
| Balance as at April 1, 2022 | 4.71 |
| Additions during the year | 88.65 |
| Finance cost accrued during the year | 3.28 |
| Payment of interest portion of lease liabilities | (3.28) |
| Payment of principal portion of lease liabilities | (2.58) |
| **Balance as at March 31, 2023** | **90.78** |
| Additions during the year | 7.34 |
| Finance cost accrued during the year | 8.40 |
| Payment of interest portion of lease liabilities | (8.40) |
| Payment of principal portion of lease liabilities | (4.41) |
| **Balance as at March 31, 2024** | **93.71** |
| | |
| Disclosed as | |
| Current portion of lease liability (Refer note 11) | 5.54 |
| Non-current lease liability (Refer note 11) | 88.17 |
| **Total** | **93.71** |

(d) Amounts recognised in statement of profit and loss during the year:

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Depreciation of Right of use assets | 10.71 | 4.80 |
| Finance cost accrued during the year | 8.40 | 3.28 |
| Expenses related to short term leases (included in cash flow from operating activities) | 2.36 | 9.48 |
| **Total** | **21.47** | **17.56** |

(e) The maturity analysis of lease liability is disclosed in Note 33.
(f) The weighted average incremental borrowing rate applied to lease liabilities is 9%.
(g) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease
(h) Total cash outflows for leases is as follows:

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Payment of interest portion of lease liabilities | 8.40 | 3.28 |
| Payment of principal portion of lease liabilities | 4.41 | 2.58 |
| Expenses relating to short term leases | 2.36 | 9.48 |
| **Total** | **15.17** | **15.34** |

**36 Financial ratios**

**a Ratio** Current ratio
**Numerator** Current Assets
**Denominator** Current Liabilities

| Ratio/Measures | 2023-24 | 2022-23 |
|---|---|---|
| Current Assets (A) | 75.20 | 73.46 |
| Current Liabilities (B) | 75.94 | 146.03 |
| Current Ratio (C) = (A) / (B) | **0.99** | **0.50** |
| **% Change from previous year** | **98%** | |

Reason for change: During the year working capital loan was repaid.

**b Ratio** Debt Equity ratio
**Numerator** Total Debt (represent current and non current borrowings and lease liabilities)
**Denominator** Shareholder's Equity (represent total equity)

| Ratio/Measures | 2023-24 | 2022-23 |
|---|---|---|
| Total Debt (A) | 186.36 | 163.23 |
| Shareholder's Equity (B) | (59.00) | (24.83) |
| Debt Equity ratio (C) = (A) / (B) | **(3.16)** | **(6.57)** |
| **% Change from previous year** | **-52%** | |

Reason for change : Due to loss incurred during the year resuling in reduction of shareholders equity and ICD availed from Holding Company

**Bismi Connect Limited**
(Formerly Bismi Connect Private Limited)
**Notes to financial statements for the year ended March 31 2024**
*(All amounts are in ₹ crores unless otherwise stated)*

| | | |
|---|---|---|
| c | **Ratio** | Debt service coverage ratio |
| | **Numerator** | Earnings available for debt service |
| | **Denominator** | Debt service |

| **Ratio/Measures** | **2023-24** | **2022-23** |
|---|---|---|
| Loss after tax (A) | (34.34) | (41.34) |
| Add: Non cash operating expenses and finance cost | | |
| Depreciation expense (B) | 15.90 | 8.48 |
| Finance costs (C) | 16.86 | 11.39 |
| **Earnings available for debt services (D) = (A)+(B)+(C)** | **(1.58)** | **(21.47)** |
| Finance costs (E) | 16.86 | 11.39 |
| Principal amount of borrowing due | 92.65 | 72.45 |
| Payment of principal portion of lease liabilities (G) | 93.71 | 90.78 |
| **Debt service (H) = (E ) + (F) + (G)** | **203.22** | **174.62** |
| **Debt service coverage ratio (I) = (D) / (H)** | **(0.01)** | **(0.12)** |
| **% Change from previous year** | **-92%** | |

Reason for Change: Loss during the year resulting in lower earnings for debt service and increase in borrowings

| | | |
|---|---|---|
| d | **Ratio** | Return on equity ratio |
| | **Numerator** | Profit after tax |
| | **Denominator** | Average shareholder's equity |

| **Ratio/Measures** | **2023-24** | **2022-23** |
|---|---|---|
| Loss after tax (A) | (34.34) | (41.34) |
| Closing shareholder's equity (B) | (59.00) | (24.83) |
| Average shareholder's equity [(Opening + Closing)/2] (C) | (41.92) | (4.08) |
| **Return on equity ratio (D ) = (A) / (C)** | **82%** | **1013%** |
| **% Change from previous year** | **-92%** | |

Reason for change: Due to increase in loss resulting in reduction of shareholder equity

| | | |
|---|---|---|
| e | **Ratio** | Inventory turnover ratio |
| | **Numerator** | Cost of goods sold |
| | **Denominator** | Average inventory |

| **Ratio/Measures** | **2023-24** | **2022-23** |
|---|---|---|
| Purchases of Stock-in-Trade | 351.63 | 316.39 |
| Changes in Inventories of Stock-in-Trade | (1.70) | 12.38 |
| **Cost of goods sold (C) = (A) + (B)** | **349.93** | **328.77** |
| Closing Inventory | 59.12 | 57.42 |
| Average Inventory [(opening + closing) /2] (D) | 58.27 | 63.61 |
| **Inventory turnover ratio (E) = (C) / (D)** | **6.01** | **5.17** |
| **% Change from previous year** | **16%** | |

| | | |
|---|---|---|
| f | **Ratio** | Trade receivables turnover ratio |
| | **Numerator** | Revenue from operations |
| | **Denominator** | Average trade receivables |

| **Ratio/Measures** | **2023-24** | **2022-23** |
|---|---|---|
| Revenue from operations (A) | 385.51 | 375.66 |
| Closing Trade receivables | 4.33 | 3.23 |
| Average Trade receivables [(opening + closing) /2] (B) | 3.78 | 2.47 |
| **Trade receivables turnover ratio (C ) = (A) / (B)** | **101.99** | **152.09** |
| **% Change from previous year** | **-33%** | |

This ratio has changed mainly due to increase in trade receivables

| | | |
|---|---|---|
| g | **Ratio** | Trade payables turnover ratio |
| | **Numerator** | Total purchases (Purchase of raw materials and other expenses) |
| | **Denominator** | Average trade payables |

| **Ratio/Measures** | **2023-24** | **2022-23** |
|---|---|---|
| Total purchases (A) | 351.63 | 316.39 |
| Closing Trade payables | 63.63 | 71.32 |
| Average Trade payables [(opening + closing) /2] (B) | 67.48 | 69.30 |
| **Trade payables turnover ratio (C ) = (A) / (B)** | **5.21** | **4.57** |
| **% Change from previous year** | **14%** | |

**Bismi Connect Limited**
(Formerly Bismi Connect Private Limited)
**Notes to financial statements for the year ended March 31 2024**
*(All amounts are in ₹ crores unless otherwise stated)*

| | | |
|---|---|---|
| **h** | **Ratio** | Net capital turnover ratio |
| | **Numerator** | Revenue from operations |
| | **Denominator** | Working capital (Current assets - Current liabilities) |

| **Ratio/Measures** | **2023-24** | **2022-23** |
|---|---|---|
| Revenue from operations (A) | 385.51 | 375.66 |
| Working capital (B) | (0.74) | (72.57) |
| **Net capital turnover ratio (C ) = (A) / (B)** | **(520.96)** | **(5.18)** |
| **% Change from previous year** | **9957%** | |

Reason for change: During the year working capital loan was repaid.

| | | |
|---|---|---|
| **i** | **Ratio** | Net profit ratio |
| | **Numerator** | Profit after tax |
| | **Denominator** | Revenue from operations |

| **Ratio/Measures** | **2023-24** | **2022-23** |
|---|---|---|
| Loss after tax (A) | (34.34) | (41.34) |
| Revenue from operations (B) | 385.51 | 375.66 |
| **Net profit ratio (C ) = (A) / (B)** | **-9%** | **-11%** |
| **% Change from previous year** | **-18%** | |

| | | |
|---|---|---|
| **j** | **Ratio** | Return on capital employed |
| | **Numerator** | Earning before interest and taxes |
| | **Denominator** | Capital Employed (Total equity, Total borrowings and Total lease liabilities) |

| **Ratio/Measures** | **2023-24** | **2022-23** |
|---|---|---|
| Loss after tax (A) | (34.34) | (41.34) |
| Adjustments:- | | |
| Add: Total tax expenses (B) | (4.03) | (0.06) |
| Add: Finance cost (C) | 16.86 | 11.39 |
| **Earnings before interest and tax (D) = (A) + (B) + (C)** | **(13.45)** | **(29.89)** |
| Total Equity (E) | 8.57 | 8.57 |
| Current and Non-current borrowings (F) | 92.65 | 72.45 |
| Current and Non-current lease liability (G) | 93.71 | 90.78 |
| **Capital Employed (I) = (E) + (F) + (G)+ (H)** | **194.93** | **171.80** |
| **Return on capital employed (J) = (D) / (I)** | **-7%** | **-17%** |
| **% change from previous year** | **-59%** | |

Reason for change : Due to reduction of loss before interest and tax as well as increase in capital employed on account of borrowings

Note: Return on investment ratio is not applicable to the Company.

**37 MCA notification dated 24th March 2021 for amendments to Schedule III disclosures :-**

**(i)** There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

**(ii)** The Company does not have any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

**(iii)** The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

**(iv)** Compliance with number of layers of companies - Not Applicable as the Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**(v)** Compliance with approved Scheme(s) of Arrangements - Not Applicable as the Company has no Schemes of Arragement that have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

**(vi)** 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, whether, 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.

**(vii)** No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(viii)** The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

**(ix)** The Company is not a declared wilful defaulter by any bank or financial institution or any other lender.

**(x)** There were no whistle blower complaints received by the Company during the year.

**(xi)** Title deeds of all Immovable properties which are held in the name of the Company - Not applicable as there are no immovable properties other than leasehold properties.

**38** Previous period amounts have been regrouped/ reclassified wherever necessary to conform to the current year classification

**39** The financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on April 15, 2024.

**Bismi Connect Limited**

(Formerly Bismi Connect Private Limited)

**Notes to financial statements for the year ended March 31 2024**

*(All amounts are in ₹ crores unless otherwise stated)*

**Note 40 Effect of Ind AS adoption on the balance sheet as at 31 March 2023 and 1 April 2022** ₹ in Crs

| | | | As at 31 March 2023 | | | As at 1 April 2022 | | |
|---|---|---|---|---|---|---|---|---|
| | | Note No | Previous GAAP | Effect of transition to Ind AS | As per Ind AS Balance Sheet | Previous GAAP | Effect of transition to Ind AS | As per Ind AS Balance Sheet |
| **I.** | **ASSETS** | | | | | | | |
| **1** | **Non-current assets** | | | | | | | |
| a. | Property, Plant & Equipment and Intangible assets | | | | | | | |
| | (i) Tangible assets | (a) | 31.20 | 92.53 | 123.73 | 31.86 | 4.92 | 36.78 |
| | (ii) Intangible assets | | 0.34 | | 0.34 | 0.39 | | 0.39 |
| | (iii) Capital work in progress | | 0.78 | | 0.78 | 2.07 | | 2.07 |
| b. | Financial assets | | | | | | | - |
| | (i) Investments | | 1.00 | | 1.00 | 1.00 | | 1.00 |
| | (ii) Other Financial Assets | (a) | 23.09 | (3.66) | 19.43 | 18.06 | (0.21) | 17.85 |
| c. | Deferred Tax assets (net) | | - | | - | - | | - |
| d. | Income tax assets (net) | | 0.50 | | 0.50 | 0.15 | | 0.15 |
| | **Total Non-Current Assets** | | **56.91** | **88.87** | **145.78** | **53.53** | **4.71** | **58.24** |
| **2** | **Current Assets** | | | | | | | |
| a. | Inventories | | 57.42 | | 57.42 | 69.80 | | 69.80 |
| b. | Financial assets | | | | | | | |
| | (i) Trade Receivables | | 3.23 | | 3.23 | 1.70 | | 1.70 |
| | (ii) Cash and Cash Equivalents | | 1.12 | | 1.12 | 1.51 | | 1.51 |
| | (iii) Other financial assets | | 6.09 | | 6.09 | 8.89 | | 8.89 |
| c | Other Current Assets | | 5.60 | | 5.60 | 26.22 | | 26.22 |
| | **Total Current Assets** | | **73.46** | **-** | **73.46** | **108.12** | **-** | **108.12** |
| | **Total Assets** | | **130.37** | **88.87** | **219.24** | **161.65** | **4.71** | **166.36** |
| **II.** | **EQUITY & LIABILITIES** | | | | | | | |
| **1** | **Shareholders' Funds** | | | | | | | |
| a. | Equity Share Capital | | 8.57 | | 8.57 | 8.57 | | 8.57 |
| b. | Other Equity | | (31.22) | (2.18) | (33.40) | 8.10 | | 8.10 |
| **2** | **Non-Current liabilities** | | | | | | | |
| a. | **Financial liabilities** | | | | | | | |
| | (i) Borrowings | | 11.03 | | 11.03 | 10.62 | | 10.62 |
| | (ii) Lease Liabilities | (a) | - | 85.96 | 85.96 | - | 3.52 | 3.52 |
| b. | Provisions | | 0.55 | | 0.55 | 0.51 | | 0.51 |
| c. | Deferred Tax Liabilities (Net) | | 0.50 | | 0.50 | 0.57 | | 0.57 |
| | **Total Non-Current Liabilities** | | **12.08** | **85.96** | **98.04** | **11.70** | **3.52** | **15.22** |
| **3** | **Current Liabilities** | | | | | | | |
| a. | **Financial liabilities** | | | | | | | |
| | (i) Borrowings | | 61.42 | | 61.42 | 65.02 | | 65.02 |
| | (ii) Lease Liabilities | (a) | - | 4.82 | 4.82 | - | 1.19 | 1.19 |
| | (iii) Trade Payables | | 71.32 | | 71.32 | 67.27 | | 67.27 |
| | (iv) Other Financial Liabilities | | 1.46 | | 1.46 | 0.01 | - | 0.01 |
| b. | Provisions | | 0.05 | | 0.05 | 0.04 | | 0.04 |
| c. | Other current liabilities | | 6.69 | 0.27 | 6.96 | 0.94 | | 0.94 |
| | **Total Current Liabilities** | | **140.94** | **5.09** | **146.03** | **133.28** | **1.19** | **134.47** |
| | **Total Liabilities** | | **153.02** | **91.05** | **244.07** | **144.98** | **4.71** | **149.69** |
| | **Total Equity and Liabilities** | | **130.37** | **88.87** | **219.24** | **161.65** | **4.71** | **166.36** |

**Bismi Connect Limited**
(Formerly Bismi Connect Private Limited)
**Notes to financial statements for the year ended March 31 2024**
*(All amounts are in ₹ crores unless otherwise stated)*

₹ in Crs

**Note 40 (cont'd) Effect of Ind AS adoption on the statement of profit & loss for the year ended 31 March 2023**

| | | | Note No | Previous GAAP | Effect of transition to Ind AS | As per Ind AS Balance Sheet |
|---|---|---|---|---|---|---|
| **I** | **INCOME** | | | | | |
| | a. | Value of Sales | (b) | 374.98 | (0.27) | 374.71 |
| | b. | Income from Services | | 0.95 | - | 0.95 |
| | | **REVENUE FROM OPERATIONS** | | **375.93** | **(0.27)** | **375.66** |
| | d. | Other Income | | 1.50 | 0.31 | 1.81 |
| | | **Total Income** | | **377.43** | **0.04** | **377.47** |
| **II** | **EXPENSES** | | | | | |
| | a. | Purchases of Stock-in-Trade | | 316.39 | | 316.39 |
| | b. | Changes in Inventories of Stock-in-Trade | | 12.38 | | 12.38 |
| | c. | Employee Benefits Expense | | 10.93 | (0.08) | 10.85 |
| | d. | Finance Costs | (a) | 8.11 | 3.28 | 11.39 |
| | e. | Depreciation and Amortisation Expense | (a) | 3.68 | 4.80 | 8.48 |
| | f. | Other Expenses | (a) | 41.81 | (5.87) | 35.94 |
| | | **Total Expenses** | | **393.30** | **2.13** | **395.43** |
| | | **PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS & TAX** | | **(15.87)** | **(2.09)** | **(17.96)** |
| | | Exceptional items | | 23.52 | - | 23.52 |
| | | **LOSS BEFORE TAX** | | **(39.39)** | **(2.09)** | **(41.48)** |
| | | **TAX EXPENSES:** | | | | |
| | | Current Tax | | - | | - |
| | | Deferred Tax | | (0.06) | | (0.06) |
| | | **LOSS FOR THE YEAR** | | **(39.33)** | **(2.09)** | **(41.42)** |
| | | **OTHER COMPREHENSIVE INCOME (OCI)** | | | | |
| A | | (i) Items that will not be reclassified to Profit or loss | (b) | | | (0.08) |
| | | (ii) Income tax relating to items that will not be reclassified to profit or loss | | | | |
| | | (iii) Items that will be reclassified to Profit or loss | | | | |
| | | (iv) Income tax relating to items that will be reclassified to profit or loss | | | | |
| | | **Total Other Comprehensive Income for the year (Net of tax)** | | | | (0.08) |
| | | **Total Comprehensive Income/ (Loss) for the year** | | | | **(41.34)** |

(a) As per Ind AS 116, lease assets were recognised under Property, Plant & Equipment and corresponding liability was recognised. Such lease assets were depreciated over the lease period. Finance cost is charged on the lease liability. Lease security deposits were recognised at present value. Rent payments were reclassified as repayment of lease liability

(b) Actuarial gains / losses on retirements benefits are disclosed under Other Comprehensive Income

**Bismi Connect Limited**
**(Formerly known as Bismi Connect Private Limited)**

As per our Report of even date

For and on Behalf of the Board

**For G. Venugopal Kamath & Co.,**
Chartered Accountants
Firm Registration No.004674S

**CA Ravinath R Pai**
Partner
Membership No 226547

**G. Venkatesh**
Director
DIN: 02813390

**Sajita Nair**
Director
DIN: 09082420

**Kaushal Nevrekar**
Director
DIN: 10196985

Date: April 15, 2024