

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of DXN Marketing India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of DXN Marketing India Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' 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 opinion on the Financial Statements.

Other information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Director's report but does not include the Financial Statements and our auditors' report thereon. The Director's Report is expected to be made available to us after the date of this Auditor's report.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Company's Directors Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs, profit / loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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.

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- 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 in the Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other matters

The Financial Statements of the Company as and for the year ended 31 March 2020, were audited by another auditor who expressed an unmodified opinion on those Financial Statements vide their report dated 09 December 2020.

Our opinion is not modified in respect to this matter.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law 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, and statement of cash flows 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;
 - e) The matters described in the "Disclaimer of opinion" paragraph in "Annexure B" with respect to adequacy of the internal financial controls with reference to Financial Statements of the Company may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
 - g) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its Financial Statements - Refer note 24 to the Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these Financial Statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

The Company is a private Company and hence the provisions of Section 197 including the matter to be included in the Auditors' Report under section 197(16) are not applicable to the Company.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration no: 101248W/W-100022



Naveen Raj R

Partner

Membership No: 217772

ICAI UDIN: 21217772AAAADI6657

Place: Chennai

Date: 30 November 2021



Annexure A to the Independent Auditors' Report to the Members of DXN Marketing India Private Limited for the year ended 31 March 2021

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

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- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, all fixed assets were verified during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not hold any immovable property and thus paragraph 3(i)(c) of the order is not applicable.
- (ii) The inventories, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, the Company has granted unsecured loans to three Companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('Act').
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Companies listed in the register maintained under section 189 of the Act were not, *prima facie*, prejudicial to the interest of the Company.
 - (b) These aforesaid loans and interest thereon are payable on demand and the Company has not demanded repayment of the loan during the year. Accordingly, the borrowers have been, regular in the payment of principal and interest. Also refer note 10 to the Financial Statement.
 - (c) There are no overdue amounts in respect of the loans granted to the Companies listed in the register maintained under section 189 of the Act.
- (iv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of Section 185 and 186 of the Act, where applicable, with respect of loans given. The Company does not have any investments, guarantees and security which requires compliance under Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

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Annexure A to the Independent Auditors' Report to the Members of DXN Marketing India Private Limited for the year ended 31 March 2021*Page 7 of 10*

- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act in respect of any of the activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted in the books of account in respect of undisputed statutory dues including provident fund, employees' State Insurance, income tax, goods and services tax, duty of customs, cess and other material statutory dues have generally been deposited on a regular basis by the Company with the appropriate authorities. As explained to us, the Company does not have any dues on account of sales-tax, service tax, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any disputes except those mentioned below:

Name of the Statute	Nature of dues	Amount in INR	Period to which the amount relates	Forum where dispute is pending
Central Sales Act, 1956	Sales tax	11,010,000	2017-18	Sales Tax Department – Uttar Pradesh
Bihar VAT Act, 2005	Value added tax	10,209,817	2016-17	Sales Tax Department – Bihar

- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any loans or borrowings due to financial institutions, debenture holders or government during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by or on the Company by its officers or employees were noticed or reported during the course of our audit.



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Annexure A to the Independent Auditors' Report to the Members of DXN Marketing India Private Limited for the year ended 31 March 2021

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- (xi) In our opinion and according to the information and explanations given to us, the provisions of section 197 read with Schedule V to Act is not applicable since the Company is not a public company. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of section 188 of the Act, where applicable, and details of such transactions have been disclosed in the Financial Statements. The Company is a private limited company and hence the provisions of section 177 of the Act is not applicable.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration no: 101248W/W-100022



Naveen Raj R

Partner

Membership No: 217772

ICAI UDIN: 21217772AAAADI6657

Place: Chennai

Date: 30 November 2021



B S R & Co. LLP

Annexure B to the Independent Auditors' Report to the Members of DXN Marketing India Private Limited for the year ended 31 March 2021

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

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

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Disclaimer of Opinion

We have been engaged to audit the internal financial controls with reference to financial statements of DXN Marketing India Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

The system of internal financial controls with reference to Financial Statements of the Company as at 31 March 2021 was not made available to us to enable us to determine if the Company has established adequate internal financial control with reference to Financial Statements and whether such internal financial controls were operating effectively as at 31 March 2021.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Financial Statements of the Company, and the disclaimer does not affect our opinion on the Financial Statements of the Company.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit conducted in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements.

Because of the matter described in Disclaimer of Opinion paragraph above, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial control system with reference to financial statements.

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Annexure B to the Independent Auditors' Report to the Members of DXN Marketing India Private Limited for the year ended 31 March 2021

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Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial controls with reference to Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

for B S R & Co. LLP

Chartered Accountants

Firm's registration no: 101248W/W-100022



Naveen Raj R

Partner

Membership No: 217772

ICAI UDIN: 21217772AAAADI6657

Place: Chennai

Date: 30 November 2021

