



INDEPENDENT AUDITOR'S REPORT

To The Partners of Cognition Digital LLP

1. Report on the Financial Statements

We have audited the accompanying Financial Statements of Cognition Digital LLP, which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss and the Cash Flow Statement for the period ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the LLP in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). This responsibility includes design, implementation and maintenance of adequate internal financial controls 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the LLP's preparation and fair presentation of the Financial in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Financial Statements. 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.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of the LLP as at 31st March, 2021;
- In the case of the Profit and Loss Account, of the Loss for the period ended on that date and,



Registered Office : # 302, Sector 38 A, Chandigarh – 160014

c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

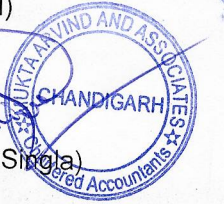
5. Report on Other Legal and Regulatory Requirements

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 LLP so far as it appears from our examination of those books.
- C. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 by the Institute of Chartered Accountants of India.

For Mukta Arvind & Associates,
Chartered Accountants
(FRN 018341N)

(Arvind Kumar Singla)
Partner
M No 091661



Place: Chandigarh

Dated: 3 June, 2021

UDIN: 21091661AAAABQ6867

Cognition Digital LLP

Regd. Office: Haibatpur Road, Saddomajra, Derabassi,
District Mohali, Punjab-140507
LLPIN-AAL-2438, PAN no: AANFC0369D
Balance Sheet as at 31 Mar 2021

UDIN: 2109166/AAAABQ6867

(Amount in Rupees unless stated otherwise)

Particulars	Note	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	1	10,92,668	15,16,687
Capital work-in-progress		-	-
Income tax assets (net)		-	-
Deferred tax assets (net)	2	9,95,999	6,45,812
Other non-current assets		-	-
Total non-current assets		20,88,667	21,62,499
Current assets			
Inventories		-	-
Financial assets			
- Trade receivables	3	2,60,26,477	2,90,83,405
- Cash and cash equivalents	4	1,16,97,636	4,79,156
- Other bank balances	5	6,15,496	17,00,000
- Loans		-	-
- Other financial assets		-	-
Other current assets	6	7,23,153	24,02,317
Total current assets		3,90,62,762	3,36,64,878
Total Assets		4,11,51,429	3,58,27,377
EQUITY AND LIABILITIES			
Equity			
Partners' capital contribution	7	3,35,75,530	2,77,44,610
Other equity		-	-
Total equity		3,35,75,530	2,77,44,610
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings		-	-
Provisions	8	10,69,745	-
Total non-current liabilities		10,69,745	-
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	9	12,14,476	14,57,691
- Other financial liabilities	10	6,31,331	7,61,476
Other current liabilities	11	9,24,219	9,68,329
Provisions	12	8,44,394	10,95,726
Current tax liabilities (net)	13	28,91,732	37,99,545
Total current liabilities		65,06,152	80,82,767
Total liabilities		75,75,897	80,82,767
Total Equity/ (Partner's contribution) and liabilities		4,11,51,429	3,58,27,377
Significant accounting policies	20		
Notes to the Ind AS financial statements	21-24		
The accompanying notes form an integral part of the Ind AS financial statements			
As per our report of even date attached			
For Mukta Arvind & Associates Chartered Accountants Firm Registration No: FRN 018341N		For and on behalf of Cognition Digital LLP	
Arvind Singh Partner Membership No. : 091661 Place : Chandigarh Dated: 3 June, 2021		Yashovardhan Saboo (Nominee of Ethos Ltd.) Designated Partner DPIN:00012158	
		Pranav S. Saboo Designated Partner DPIN:03391925	

Yashovardhan Saboo

Cognition Digital LLP

Regd. Office: Haibatpur Road, Saddomajra, Derabassi,

District Mohali, Punjab-140507

LLPIN-AAL-2438, PAN no: AANFC0369D

Statement of Profit and Loss for the period ended 31 Mar 2021

(Amount in Rupees unless stated otherwise)

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
		(Audited)	(Audited)
Revenue from operations	14	4,73,48,200	8,02,80,854
Other income	15	3,89,428	7,80,632
Total Income		4,77,37,628	8,10,61,486
EXPENSES			
Purchase of stock-in-trade		-	-
Changes in inventory of stock-in-trade		-	-
Internet marketing expense	16	1,80,61,354	3,21,26,166
Employee benefits expense	17	1,72,33,943	1,57,39,711
Finance costs	18	3,85,704	4,60,255
Depreciation and amortization expense	1	4,59,204	6,21,617
Other expenses	19	28,81,135	27,32,531
Total expenses		3,90,21,340	5,16,80,280
		87,16,288	2,93,81,206
Profit/(loss) before tax		87,16,288	2,93,81,206
Tax expense			
- Current tax charge		36,07,587	1,09,17,168
- Deferred tax charge/(credit)		(4,26,988)	(4,97,934)
-Tax expense for earlier years		(1,52,251)	(78,531)
Profit/(loss) for the year		56,87,940	1,90,40,503
Other comprehensive income/(expense)			
- Re-measurement of defined benefit (asset)/liability		2,19,783	-
- Re-measurement of defined benefit (asset)/liability		(76,801)	-
Total other comprehensive (expense)/ income for the year (net of income tax)		1,42,982	-
Total comprehensive income/(loss) for the year		58,30,922	1,90,40,503
Significant accounting policies	20		
Notes to the Ind As financial statements	21-24		

As per our report of even date attached

For: Mukta Arvind & Associates

Chartered Accountants

Firm Registration No. (FRN 018341N)

CHANDIGARH

Arvind Singla

Partner Accountant

Membership No. : 091661

Place: Chandigarh

Dated: 3 June, 2021

For and on behalf of

Cognition Digital LLP

Yashovardhan Saboo

(Nominee of Ethos Ltd.)

Designated Partner

DPIN:00012158

Pranav S. Saboo

Designated Partner

DPIN:03391925

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COGNITION DIGITAL LLP

Regd. Office: Haibatpur Road, Saddomajra, Derabassi,

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LLPIN:AAL-2438, PAN no: AANFC0369D

Notes to the financial statement for the period ended 31 March, 2021

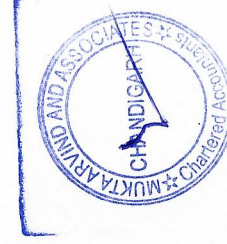
1. Property, Plant and Equipment

In (Rupees)

A. Tangible assets	Gross block				Accumulated depreciation, amortisation and impairment				Net block	
	Balance as at 1.04.2020	Additions	Disposals	Balance as at 31.03.2021	Balance as at 1.04.2020	Depreciation / amortisation for the year	Eliminated on disposal of assets	Balance as at 31.03.2021	Balance as at 31.03.2021	Balance as at 31.03.2020
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
(a) Computers and data Processing units	98011	35185	-	133196	39161	51985	-	91146	42050	58850
Owned - Computer & Peripherals	2371790	0	-	2371790	1069246	337229	-	1406475	965315	1302544
(b) Furniture and Fixtures	386905	0	-	386905	231612	69991	-	301603	85302	155293
Owned										
(c) Office equipment										
Total	2856706	35185	-	2891891	1340019	459204	0	1799223	1092668	1516687
Previous year (31.03.2020)	2758695	98011	-	2856706	718402	621617	-	1430019	1516687	2040293

B. Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31st Mar, 2021		For the year ended 31st Mar, 2020	
	Rs	Rs	Rs	Rs
Depreciation and amortisation for the year on tangible assets	459204	621617	-	-
Depreciation and amortisation for the year on intangible assets	-	-	-	-
Depreciation and amortisation relating to continuing operations	459204	621617	-	-



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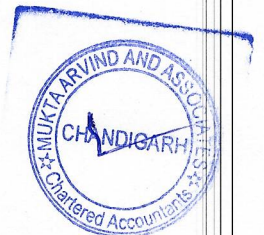
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Notes to the financial statement for the period ended 31 Mar, 2021		In (Rupees)	
Particulars	As at 31st Mar, 2021	As at 31st Mar, 2020	
	Rs	Rs	
2. Deferred tax assets			
Tax effect of items constituting deferred tax liability			-
On difference between book balance and tax balance of fixed assets	9,95,999		6,45,812
Total	9,95,999		6,45,812
3. Trade receivables			
Related parties (Refer to Note No. 19.2)	2,60,26,477		2,90,83,405
Others	-		-
Total	2,60,26,477		2,90,83,405
4. Cash and cash equivalents			
Balance with IDBI Bank Ltd	1,06,08,081		4,29,592
Balance with HDFC Bank Ltd	10,89,555		49,564
Total	1,16,97,636		4,79,156
5. Other Bank balances			
FD with HDFC Bank Ltd	6,15,496		17,00,000
Total	6,15,496		17,00,000
6. Other current assets			
IGST input credit (CHD)	3,961		21,75,886
CGST credit (CHD)	6,20,114		3,777
UTGST credit (CHD)	29,701		3,777
CGST, UTGST and IGST input credit (Delhi Office)	-		1,10,860
CGST and UTGST input credit receivable	-		-
Interest receivable	69,378		1,08,017
Imprest account	-		-
Total	7,23,153		24,02,317
7. Partner's capital contribution			
Ethos Ltd	2,77,44,203		2,60,03,890
Less : Profit distributed during the year	-		1,73,00,000
Add : Profit/Loss for the period	58,30,864		1,90,40,313
	3,35,75,067		2,77,44,203
Pranav S. Saboo	407		217
Add : Profit/Loss for the period	57		190
Sub total	464		407
Total	3,35,75,530		2,77,44,610
8. Provisions (Non- current)			
Provision for gratuity	10,69,745		-
Total	10,69,745		-
9. Trade payables			
Related Party	-		1,13,771
Others	12,14,476		13,43,920
Total	12,14,476		14,57,691
10. Other financial liabilities			
Salary payable	4,44,799		6,09,047
Imprest account	1,86,532		1,52,429
Total	6,31,331		7,61,476
11. Other current liabilities			
Other payables :			
TDS payable	4,34,961		4,63,044
Interest payable	1,51,643		4,35,742
Incentive payable	-		-
CGST	-		-
UTGST	-		-
IGST/CGST/UTGST (Delhi)	2,87,857		-
EPF/EPS payable	49,568		69,473
Labour welfare fund	190		70
Total	9,24,219		9,68,329
12. Provisions (Current)			
Provision for leave encashment	8,44,394		10,95,726
Total	8,44,394		10,95,726
13. Current tax liabilities (net)			
Provision for Income tax (FY 2020-21)	28,91,733		37,99,545
Total	28,91,733		37,99,545



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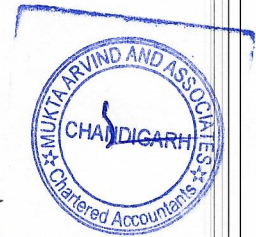
LLPIN-AAL-2438, PAN no: AANFC0369D

Notes to the financial statement for the period ended 31st Mar,2021		
Particulars	As at 31st Mar, 2021	In (Rupees) As at 31st Mar, 2020
	Rs	Rs
14. Revenue from operations		
Marketing support services	4,73,48,200	8,02,80,854
	4,73,48,200	8,02,80,854
15. Other income		
Foreign exchange gain	-	6,60,613
Interest Income	1,12,784	1,20,019
Liability no longer required written back	2,76,644	-
	3,89,428	7,80,632
16. Internet marketing expense		
Search optimization and mktg and social media expense	1,80,51,354	3,19,83,501
Business support services	10,000	1,42,665
	1,80,61,354	3,21,26,166
17. Employee benefit expense		
Salaries	1,46,98,966	1,21,82,420
Employers' contribution to PF/EPF	3,17,858	4,05,521
Admn. Charges (EPF)	15,368	15,432
Contribution to EDLI	6,680	7,012
Attire allowance	1,06,231	74,454
Gratuity Expenses	12,89,528	50,000
Ex-gratia	13,788	1,81,207
Incentive	7,18,300	16,13,284
Leave encashment	67,224	12,10,381
	1,72,33,943	1,57,39,711
18. Finance Costs		
Interest charges	-	-
Interest on Income tax	3,85,704	4,60,255
	3,85,704	4,60,255
19. Other expenses		
Audit Fee	85,000	60,000
Advertising expenses	-	5,760
Books & Periodicals	1,400	2,150
Internet expenses	1,14,310	39,223
License & Filing Fee	6,770	9,066
Legal & Professional charges	77,750	40,000
Bank Charges	667	3,147
Software expense	-	2,000
Electricity & power expense	41,500	75,986
Rent	17,63,100	10,03,117
Repair & maintenance	32,278	-
CAM	1,92,720	2,12,312
Travelling expense	67,720	9,90,185
Telephone expenses	1,34,776	1,72,228
Misc. office expense	67,908	28,670
Business promotion expense	1,07,500	15,900
Printing & Stationery expense	-	-
Staff welfare	1,87,740	72,777
Rounding off	-4	10
Total	28,81,135	27,32,531

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LLPIN-AAL-2438, PAN no: AANFC0369D

Notes Forming Part of the Balance Sheet as at 31.03.2021

20 Significant Accounting Policies

20.1 Basis of accounting and preparation of financial statement :

a) The Ind AS financial statements of the LLP have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules,2015 and the Companies (India Accounting Standards) Amendments Rules, 2016 notified under section 133 of Companies Act,2013, (The 'Act') and other relevant provisions of the Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Accounting Policies not specifically referred to otherwise are consistent with generally accepted accounting principles are followed by LLP.

20.2 Inventories :

The LLP do not have any Stock in Trade as it does not deal with any tangible product. It does not have a system of valuation of work in process for incomplete assignments due to uncertainties.

20.3 Depreciation and amortisation

Depreciation on all fixed assets has been provided on written down value method as per the rates calculated on the basis of Cost of acquisition of assets less 5% salvage value and remaining life of asset as specified in Schedule II of the Companies Act, 2013, for completed months. Life of assets have been taken as mentioned in above mentioned schedule.

20.4 Revenue recognition

Item of Income and expenditure are recognised on accrual basis.

20.5 Other Income

Interest income, if any, is accounted on accrual basis.

20.6 Property, plant and equipment ('PPE')

Items of PPE have been shown at cost of acquisition/cost of construction less depreciation. The Depreciation amount is restricted upto 95% of the cost. The LLP does not have any intangible asset.

20.7 Employee benefits

The provisions of Employees Provident Fund Act and Payment of Gratuity Act are applicable to the LLP. Therefore, the same is being provided in the books.

20.8 Borrowing costs

The borrowing costs, whenever, incurred will include interest, amortisation of ancillary costs incurred will be charged to the Statement of Profit and loss over the tenure of the loan.

20.9 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

20.10 Deferred tax Asset/liability

Deferred tax asset has been recognized in the financials.

20.11 Impairment of assets

An Assets is treated as impaired, when carrying cost of the Asset exceeds its recoverable amount. An impaired loss is charged to Profit & Loss account in the year in which it is identified as impaired. There has been no impairment during the year, therefore, disclosure as per AS-28 is not required.

20.12 Provisions and contingencies

A provision is recognised when the LLP has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes.

20.13 Foreign Currency Transactions :

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of transaction.



20.14 Financial instruments

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the firm becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

20.15 Operating segments

An operating segment is a component of the firm that engages in business activities from which it may earn revenues and incur expenses, including revenues that relate to transactions with any of the firm's other components, and for which discrete financial information is available.

Currently the firm is primarily engaged in the business of providing digital marketing services within India and outside India.

20.16 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, if any, and demand deposits held with banks.

20.17 Cash flow statement

Cash flows are reported using indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the firm are segregated.

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COGNITION DIGITAL LLP

Regd. Office: Haibatpur Road, Saddomajra, Derabassi,

District Mohali, Punjab-140507

LLPIN-AAL-2438, PAN no: AANFC0369D

Notes to the financial statements as at 31.03.2021

Note 21 Additional information to the financial statements**21.1 Contingent liabilities and commitments (to the extent not provided for)**

Contingent liabilities:

- The LLP does not have any capital commitment as outstanding and there is no contingent liability.
- In the opinion of the Partners, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount considered reasonable.
- Debit and credit balances in the accounts of the parties are subject to confirmation and reconciliation except Ethos Ltd and KDDL Limited.
- Provision for leave encashment have been made based on the actuarial valuation as on 31.03.2021.

21.2 Related Party Disclosure

I) Related parties and nature of related party relationship, where control exists :

Description of Relationship	Name of the Party
Holding company	Ethos Ltd
Holding of Holding Company	KDDL Limited

II) Partners

- Ethos Ltd
- Mr. Pranav S. Saboo

III) Transactions with related party

Nature of Transaction	2020-21	2019-20
	Rs.	Rs.
a) Marketing support services provided Ethos Ltd	4,73,48,200	8,02,80,854
b) Reimbursement of Expenses incurred on behalf of Cognition Digital LLP		
-Ethos Ltd	2,74,95,160	3,59,61,991
- KDDL Limited	1,00,800	1,33,259
C) Investment received during the years		
-Ethos Ltd	-	-
(D) Fixed Assets purchased		
-Ethos Ltd	35,185	98,011

IV) Outstanding Balance at year end

Particulars	2020-21	2019-20
Payables:		
-KDDL Limited	-	1,13,771
Receivables :		
- Ethos Ltd	2,60,26,477	2,90,83,405

(Rs. In Lakhs)

21.3 Auditor's Remuneration

Audit Fee

2020-21	2019-20
0.85	0.60

21.4 Expenditure in Foreign Currency

Particulars	2020-21	2019-20
i) Earning in Foreign Exchange	-	-

21.5 Previous year figures has been regrouped and/or rearranged to make them comparable.



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Notes to the financial statements as at 31.03.2021

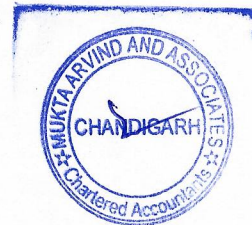
22. Tax expense

	Year ended 31 March 2021	Year ended 31 March 2020
<i>a) Income tax recognised in statement of profit and loss</i>		
-Current tax	36,07,587	1,09,17,168
-Deferred tax	(4,26,988)	(4,97,934)
Total tax expense recognised in the current year	<u>31,80,599</u>	<u>1,04,19,234</u>

The above tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax		
Tax at the Indian tax rate of 34.94% (previous year 34.94%)	30,45,820	1,02,66,969
Effect of expenses that are not deductible in determining taxable	7,69,348	7,92,440
Effect of expenses that are deductible in determining taxable pro	-2,07,581	(1,42,241)
Others	(4,26,988)	(4,97,934)
Income tax expenses recognised in statement of profit and lo	<u>31,80,599</u>	<u>1,04,19,234</u>

The tax rate used for the current year reconciliation above is the corporate tax rate of 34.94% (previous year 34.94%) payable by LLP in India on taxable profits under the Indian tax law.



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Notes to the financial statements for the period ended 31.03.2021

23. Financial instruments - fair values and risk management

I.	Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 Mar 2021			As at 31 Mar 2020		
				FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial assets									
Non-current									
Current									
	Trade receivables	(a)	-	2,60,26,477	-	-	2,90,83,405	-	-
	Cash and cash equivalents	(a)	-	1,16,97,636.37	-	-	4,29,591.75	-	-
	Other bank balances	(a)	-	6,15,496	-	-	17,00,000	-	-
	Other current assets	(a)	-	7,23,153	-	-	24,02,317	-	-
	Total		-	3,90,62,762	-	-	3,36,15,314	-	-
Financial liabilities									
Non-current									
Current									
	Trade payables	(a)	-	12,14,476	-	-	14,57,691	-	-
	Other financial liabilities		-	6,31,331	-	-	7,61,476	-	-
	-Other Current Liabilities	(a)	-	17,68,613	-	-	20,64,055	-	-
	-Current tax Liabilities	(a)	-	28,91,733	-	-	37,99,545	-	-
	Total		-	65,06,153	-	-	80,82,767	-	-

Note:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 st Mar 2020 and 31 March 2021.

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COGNITION DIGITAL LLP

Regd. Office: Haibatpur Road, Saddomajra, Derabassi,

District Mohali, Punjab-140507

LLPIN-AAL-2438, PAN no: AANFC0369D

Notes to the financial statements for the period ended 31 March 2021

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

II. Financial risk management

(i) Risk management framework

The Firm's Partners have overall responsibility for the establishment and oversight of the Firm's risk management framework. The Firm's risk management policies are established to identify and analyse the risk faced by the Firm, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Firm's activities. The Firm, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

ii) Credit risk

Credit risk is the risk of financial loss to the Firm if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Firm's receivable from customers and loans.

Trade receivables and Loans

The Firm is into the business of providing digital marketing services and has major exposure to the holding company only. There the credit risk is minimal.

Cash and cash equivalents(Incl. Bank balances)

The Firm holds cash and cash equivalents of Rs. 1,16,97,636 at 31st March 2021 (31 March 2020: Rs. 4,79,156). The cash and cash equivalents are held with scheduled banks.

ii) Liquidity risk

Liquidity risk is the risk that the Firm will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Firm's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Firm's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

24 Segment information

The Firm is primarily engaged in the business of providing digital marketing services within India and outside India.

Auditors' Report

As per our report of even date annexed

For Mukta Arvind & Associates

Chartered Accountants

(FRN 018341N)

CHANDIGARH

Arvind Singla

Partner

M.No. FCA-091661

Place: Chandigarh

Dated: 3 June, 2021

For and on behalf of Cognition Digital LLP

Partner

Partner

Ugler

Cognition Digital LLP

Regd. Office: Haibatpur Road, Saddomajra, Derabassi,
District Mohali, Punjab-140507

LLPIN-AAL-2438, PAN no: AANFC0369D

CASH FLOW STATEMENT FOR THE PERIOD ENDED March 31, 2021

(Amount in Rupees unless stated otherwise)

Particulars	Year Ended 31st Mar, 2021		Year Ended 31st Mar, 2020	
	Rs.	Rs	Rs.	Rs
(A) Cash flow from operating activities				
Net Profit/Loss Before extraordinary items and tax		87,16,288		2,93,81,206
Adjustment for :				0
Depreciation and amortisation	459204		6,21,617	0
Finance Cost	3,85,704		4,60,255	0
Other Comprehensive Income	219783	10,64,691	-	1081872
Operating Profit/ (Loss) before working capital changes		97,80,979		3,04,63,078
<i>Changes in working Capital :</i>				
<i>Adjustment for (Increase)/ decrease in operating Assets</i>				
Trade receivable	30,56,928		1,40,867	-
Short-Term loans & advances	16,79,163	47,36,091	65,160	2,06,027
<i>Adjustment for Increase/ (decrease) in operating Liabilities</i>				
Trade payables	-2,43,215		(48,25,906)	
Current liabilities	(1,74,255)		5,77,329	
Short term provisions	-1159145		5,38,675	
Provisions	1069745	(5,06,870)	10,95,726	(26,14,176)
Cash flow from extraordinary items	-			
Cash generated from operations		1,40,10,200		2,80,54,929
Net Income Tax (Paid)/refunds		(3455336)		(1,08,38,637)
Net cash from / (used in) operating activities (A)		1,05,54,864		1,72,16,292
(B) Cash flow from investing activities				
Capital expenditure of fixed Assets including capital advances	(35,185)	-	(98,011)	
Proceeds from sale of FA	-		-	
Interest received	-		-	
Dividend received	-	(35,185)	-	(98,011)
Net Cash flow from / (used in) Investing activities (B)		(35,185)		(98,011)
(C) Cash flow from Financing Activities				
Proceeds against Capital contribution from Partners	-		(1,73,00,000)	
Repayment of long term borrowing	-		-	
Net increase/(decrease) in working capital borrowings	-		-	
Finance cost	(3,85,704)	(3,85,704)	(4,60,255)	(1,77,60,255)
Net cash flow from/(Used in) investing activities ©		(3,85,704)		(1,77,60,255)
(D) Net Increase/ (Decrease) in cash & cash equivalents (A+B+C)		1,01,33,976		(6,41,974)
(E) Cash and cash equivalents at the beginning of the year		21,79,156		28,21,130
(F) Cash and cash equivalents at the end of the year		1,23,13,132		21,79,156
Cash and Cash Equivalents include:				
Cash on hand		1,16,97,636		4,79,156
With banks		-		-
Fixed deposits considered as cash equivalents		6,15,496		17,00,000
Cash and cash equivalents as per Note 4		1,23,13,132		21,79,156
Cash and cash equivalents in cash flow		1,23,13,132		21,79,156

Auditors' Report

As per our report of even date annexed

For **Mukta Arvind & Associates**

Chartered Accountants

Firm Registration No. (FRN) 018341N

Arvind Singh

Partner

Membership No. : 091661

Place : **Chandigarh**

Dated: **3 June, 2021**

For and on behalf of
Cognition Digital LLP

Yashovardhan Sahoo
(Nominee of Ethos Ltd.)
Designated Partner
DPIN:00012158

Pranav S. Saboo

Designated Partner
DPIN:03391925

Cyber