

**HEAD OFFICE:**

A-6, Maharani Bagh  
New Delhi- 110065  
Ph.: 011-41027248, 41626470  
Fax: 011-41328425  
E-mail: kapil@bansalco.com

**BANSAL & CO LLP**  
CHARTERED ACCOUNTANTS

To,  
The Board of Directors  
Lenskart Solutions Limited  
(Formerly known as Lenskart Solutions Private Limited)  
Plot No. 151, Okhla Industrial Estate,  
Phase-3, Okhla Industrial Estate,  
New Delhi 110020.

Dear Sirs,

**Re: Certificate on conversion of financial statements of material subsidiaries into India Rupees**

**Sub:** Proposed initial public offering of equity shares of face value of Rs. 2 each (“**Equity Shares**”) of Lenskart Solutions Limited (Formerly known as Lenskart Solutions Private Limited) (“**Company**”) and such initial public offering, “**Offer**”)

1. This certificate is issued in accordance with the terms of our engagement letter dated February 05, 2025 in context of the Issue.
2. At the request of the management of the Company, we have to verify the standalone financial statement of Lenskart Optical Trading LLC translated to Indian Rupees for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 as enclosed to this Certificate (hereinafter referred to as “**Translated Financial Statements**”), which is proposed to be uploaded on the website of Company in connection with the Offer.
3. Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400 (“SRS 4400”) “Engagements to Perform Agreed-upon Procedures regarding Financial Information”, issued by the Institute of Chartered Accountants of India.
4. We have performed following procedures:
  - a. reviewed the audited standalone financial statements of Lenskart Optical Trading LLC for the years ended March 31, 2025, March 31, 2024 and March 31, 2023 (“**Financial Statements**”), prepared in accordance with the International Financial Reporting Standards and International Accounting Standards, as amended and the reports issued thereon by the statutory auditors (“**Lenskart Optical Trading LLC Auditors’ Report**”);
  - b. reviewed the Translated Financial Statements along with the underlying workings; and
  - c. obtained and reviewed the exchange rates provided by the Management with the exchange rates available at the online portal; and
  - d. reviewed necessary documents and received necessary clarifications and explanations from the relevant officers of the Company and Lenskart Optical Trading LLC.

**Management’s Responsibility**

5. The preparation of the Translated Financial Statements is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Translated Financial Statements and applying an appropriate basis of preparation stated in Note 3 to the Translated Financial Statements; and making estimates that are reasonable in the circumstances.

**BRANCHES**

Mumbai: GF, Wing-A, Raghavji Building, 15/17, Raghavji Road, Gowalia Tank, Mumbai-400026, Mob.: +91 9999668270  
Bhopal: 114, Shree Tower, 2nd Floor, Zone-II, Bhopal (MP) Ph. 0755-4076725, 2769224, 2769225, Mob.: +91 9425393729.  
Chhattisgarh: 6/140 Next to Indra Setu Bridge, Tilaknagar, Chatapara, Bilaspur, Chhatisgarh, (Ch) — 495001  
Delhi: D-B10ck,3rd Floor, Plot No 8, Balaji Estate, Guru Ravidas Marg, Kalkaji, New Delhi - 110019 Mob.: +91 9818555055.



**HEAD OFFICE:**

A-6, Maharani Bagh  
New Delhi- 110065  
Ph.: 011-41027248, 41626470  
Fax: 011-41328425  
E-mail: kapil@bansalco.com

**BANSAL & CO LLP**  
CHARTERED ACCOUNTANTS

6. The management of the Company is responsible for ensuring that the Translated Financial Statements complies with the provisions of the ICDR Regulations and the requirements under the Companies Act, 2013 and other applicable rules and regulations

**Practitioner's Responsibility**

7. Pursuant to the requirements, it is our responsibility to provide a reasonable assurance whether:
1. the Translated Financial Statements have been accurately converted from its functional currency i.e. United Arab Emirates Dirham (AED) to presentation currency i.e. Indian Rupees (INR) in accordance with Indian Accounting Standard (Ind AS) 21 "The Effect of Changes in Foreign Currency Rates" as notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended; and
  2. the Translated Financial Statements have been prepared in compliance with the ICDR Regulations.
8. The Auditors' Report on audited standalone financial statements of Lenskart Optical Trading LLC as at the end of and for the year ended March 31, 2025, March 31, 2024, and March 31, 2023, referred to in paragraph 3 above, have been audited by MSI Alnoman & Ravi (the "Auditors") on which the Auditors have issued an unmodified audit opinion vide their reports issued thereon by the statutory auditors dated May 20, 2025, July 04, 2024 and August 31, 2023 respectively. The audit of these standalone financial statements was conducted in accordance with the International Standards on Auditing and other applicable authoritative pronouncements issued by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code). Those Standards require that the Auditors plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free of material misstatement.
9. Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Offer Documents.
10. We did not audit the Financial Statements and Translated Financial Statements of Lenskart Optical Trading LLC. These Translated Financial Statements should not in any way be construed as a reissuance or re-dating of any previous audit reports, nor should these be construed as a new opinion on any of the Financial Statements.
11. We performed procedures in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
12. We have complied with the relevant applicable requirements of the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by Institute of Chartered Accountants of India.

**Opinion**

13. Based on our examination, as above, we are of the opinion that:
- a. the Translated Financial Statements have been accurately converted from its functional currency i.e. United Arab Emirates Dirham (AED) to presentation currency i.e. Indian Rupees (INR) in accordance with Indian Accounting Standard (Ind AS) 21 "The Effect of Changes in Foreign

**BRANCHES**

Mumbai: GF, Wing-A, Raghavji Building, 15/17, Raghavji Road, Gowalia Tank, Mumbai-400026, Mob.: +91 9990668270  
Bhopal: 114, Shree Tower, 2nd Floor, Zone-II, Bhopal (MP) Ph. 0755-4076725, 2769224, 2769225, Mob.: +91 9425393729  
Chhattisgarh: 6/140 Next to Indra Setu Bridge, Tilaknagar, Chatapara, Bilaspur, Chhattisgarh, (Ch) — 495001  
Delhi: D-B10ck, 3rd Floor, Plot No 8, Balaji Estate, Guru Ravidas Marg, Kalkaji, New Delhi - 110019 Mob.: +91 9818555055.



**HEAD OFFICE:**

A-6, Maharani Bagh  
New Delhi- 110065  
Ph.: 011-41027248, 41626470  
Fax: 011-41328425  
E-mail: kapil@bansalco.com

**BANSAL & CO LLP**  
CHARTERED ACCOUNTANTS

- Currency Rates” as notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- the Translated Financial Statements have been prepared in compliance with the ICDR Regulations; and
  - the information herein above is true, complete, accurate and is not misleading.

**Restriction on Use**

- This certificate has been prepared at the request of the Company for submission to the Book Running Lead Managers (“BRLMs”) (namely, Kotak Mahindra Capital Limited, Avendus Capital Private Limited, Axis Capital Limited, Citigroup Global Markets India Private Limited, Intensive Fiscal Services Private Limited, Morgan Stanley Indian Company Private Limited), and legal counsels (namely, Cyrill Amarchand Mangaladas counsels to the Issue)) appointed in connection with the Issue by the Company and is not to be considered for any other purpose except submission with the Stock Exchanges, the Securities and Exchange Board of India (“SEBI”), Registrar of Companies and any other regulatory or statutory authority in respect of the Issue and for the records to be maintained by the BRLMs in connection with the Issue and for upload on the website of the Ultimate Holding Company namely Lenskart Solutions Limited (formally known as Lenskart Solutions Private Limited). This certificate may be relied on by the BRLMs, their affiliates and legal counsel in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation and due diligence of the affairs of the Company in connection with the Offer. We do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing, which shall not be unreasonably withheld.
- We undertake to immediately inform the BRLMs and legal counsel in case of any changes to the above until the date when the Equity Shares pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.
- We hereby consent to the submission of this report to any regulatory / statutory/ governmental authority, stock exchanges, any other authority as may be required.

**For Bansal & Co LLP**

Firm Regn. No. 001113N/N500079  
Peer Review Number 011937  
Chartered Accountants



Kapil Mittal  
Partner

Membership No.: 502221  
UDIN: 25502221BMKOBH3869

Place: New Delhi

Date: July 16, 2025

**BRANCHES**

Mumbai: GF, Wing-A, Raghavji Building, 15/17, Raghavji Road, Gowalia Tank, Mumbai-400026, Mob.: +91 9999668270  
Bhopal: 114, Shree Tower, 2nd Floor, Zone-II, Bhopal (MP) Ph. 0755-4076725, 2769224, 2769225, Mob.: +91 9425393729.  
Chhattisgarh: 6/140 Next to Indra Setu Bridge, Tilaknagar, Chatapara, Bilaspur, Chhatisgarh, (Ch) — 495001  
Delhi: D-B10ck, 3rd Floor, Plot No 8, Balaji Estate, Guru Ravidas Marg, Kalkaji, New Delhi - 110019 Mob.: +91 9818555055.

Lenskart Optical Trading LLC  
Statement of financial position as at 31 March 2025  
(All amounts in INR Millions, unless otherwise stated)

Particular	Notes	As at	As at	As at
		31 March 2025	31 March 2024	31 March 2023
<b>ASSETS:</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	6	171.80	170.77	148.23
Intangible assets	7	0.03	0.04	-
Right-of-use assets	8	361.45	360.93	269.98
Capital work-in-progress	9	-	0.15	4.31
Investment in subsidiary	10	2.33	2.27	-
Deferred tax asset	11	38.38	-	-
Other non-current financial assets	12	25.49	21.21	13.92
<b>Total non-current assets</b>		<b>599.48</b>	<b>555.37</b>	<b>436.44</b>
<b>CURRENT ASSETS</b>				
Inventories	13	121.57	74.13	34.08
Trade and other receivables	14	128.21	8.58	15.17
Due from related parties	15	176.58	81.34	18.10
Prepayments	16	42.75	32.14	26.82
Cash and cash equivalents	17	108.93	35.72	21.62
<b>Total non-current assets</b>		<b>578.04</b>	<b>231.91</b>	<b>115.79</b>
<b>Total assets</b>		<b>1,177.52</b>	<b>787.28</b>	<b>552.23</b>
<b>EQUITY:</b>				
Share capital	18	3.10	3.10	3.10
Accumulated (loss)		(1,186.69)	(801.10)	(494.83)
Foreign currency translation reserve		(54.77)	(29.88)	(20.56)
<b>Total equity</b>		<b>(1,238.36)</b>	<b>(827.88)</b>	<b>(512.29)</b>
Loan from Shareholders	15	1,499.60	847.22	474.93
<b>Total owners' fund</b>		<b>261.24</b>	<b>19.34</b>	<b>(37.36)</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES</b>				
Employees' terminal benefits		18.31	10.56	5.11
Lease liability	19	219.99	267.95	215.56
Provision for employee stock option	20	5.69	3.61	0.89
<b>Total non-current liabilities</b>		<b>243.99</b>	<b>282.12</b>	<b>221.56</b>
<b>CURRENT LIABILITIES</b>				
Lease liability	19	139.26	78.79	54.07
Trade and other payables	21	109.23	118.95	109.49
Due to related parties	15	204.53	252.65	178.15
Accrued expenses and provisions	22	219.27	35.43	26.32
<b>Total current liabilities</b>		<b>672.29</b>	<b>485.82</b>	<b>368.03</b>
<b>Total liabilities</b>		<b>916.28</b>	<b>767.94</b>	<b>589.59</b>
<b>Total equity and liabilities</b>		<b>1,177.52</b>	<b>787.28</b>	<b>552.23</b>

The accompanying notes from 1 to 35 form an integral part of the financial statements.

As per our report of even date attached.

For Bansal & Co LLP  
Firm Regn. No. 001113N/N500079  
Chartered Accountants



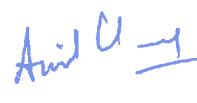
Kapil Mittal  
Partner  
Membership No.: 502221  
Place: New Delhi  
Date: 16/7/2025



For Lenskart Optical Trading LLC



Peyush Bansal  
Director  
DIN: 02070081  
Place: Gurugram  
Date: July 16, 2025



Amit Chaudhary  
Director  
DIN: 08908841  
Place: Gurugram  
Date: July 16, 2025



**Lenskart Optical Trading LLC**

**Statement of profit or loss and other comprehensive income for the year ended 31 March 2025**

(All amounts in INR Millions, unless otherwise stated)

Particular	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations	23	834.96	472.24	214.09
Cost of revenue	24	(336.03)	(132.71)	(84.41)
<b>Gross profit</b>		<b>498.93</b>	<b>339.53</b>	<b>129.68</b>
Other income	25	112.39	15.06	-
General and administrative expenses	26	(740.72)	(476.52)	(368.60)
Depreciation and amortisation expenses	27	(142.69)	(105.57)	(58.06)
<b>(Loss) before financing and tax</b>		<b>(272.09)</b>	<b>(227.50)</b>	<b>(296.98)</b>
Finance charges	28	(151.47)	(78.77)	(42.54)
<b>(Loss) before tax</b>		<b>(423.56)</b>	<b>(306.27)</b>	<b>(339.52)</b>
Income tax	29	37.97	-	-
<b>(Loss) for the year</b>		<b>(385.59)</b>	<b>(306.27)</b>	<b>(339.52)</b>
<b>Other comprehensive income for the year</b>				
<b>Items that will be reclassified subsequently to profit and loss</b>				
Exchange difference on translation of financial statement		(24.89)	(9.32)	(20.56)
<b>Total comprehensive (loss) for the year</b>		<b>(410.48)</b>	<b>(315.59)</b>	<b>(360.08)</b>

The accompanying notes from 1 to 35 form an integral part of the financial statements.

As per our report of even date attached.

**For Bansal & Co LLP**

Firm Regn. No. 001113N/N500079

Chartered Accountants

*Kapil Mittal*

**Kapil Mittal**

Partner

Membership No.: 502221

Place: New Delhi

Date: 16/7/2025



**For Lenskart Optical Trading LLC**

*Peyush Bansal*

**Peyush Bansal**

Director

DIN: 02070081

Place: Gurugram

Date: July 16, 2025

*Amit Chaudhary*

**Amit Chaudhary**

Director

DIN: 08908841

Place: Gurugram

Date: July 16, 2025





**Lenskart Optical Trading LLC**  
**Statement of changes in equity For the year ended 31 March 2025**  
*(All amounts in INR Millions, unless otherwise stated)*

Particular	Share Capital	Accumulated (loss)	Foreign currency translation reserve	Total equity
Balance as at 1 April 2022	3.10	(155.31)	-	(152.21)
Total comprehensive (loss) for the year	-	(339.52)	(20.56)	(360.08)
Balance as at 31 March 2023	3.10	(494.83)	(20.56)	(512.29)
Balance as at 1 April 2023	3.10	(494.83)	(20.56)	(512.29)
Total comprehensive (loss) for the year	-	(306.27)	(9.32)	(315.59)
Balance as at 31 March 2024	3.10	(801.10)	(29.88)	(827.88)
Balance as at 1 April 2024	3.10	(801.10)	(29.88)	(827.88)
Total comprehensive gain/(loss) for the year	-	(385.59)	(24.89)	(410.48)
Balance as at 31 March 2025	3.10	(1,186.69)	(54.77)	(1,238.36)

The accompanying notes from 1 to 35 form an integral part of the financial statements.

As per our report of even date attached.

**For Bansal & Co LLP**  
 Firm Regn. No. 001113N/N500079  
 Chartered Accountants

**For Lenskart Optical Trading LLC**

**Kapil Mittal**  
 Partner  
 Membership No.: 502221  
 Place: New Delhi  
 Date: 16/7/2025



*(Handwritten signature)*

**Peyush Bansal**  
 Director  
 DIN: 02070081  
 Place: Gurugram  
 Date: July 16, 2025

*(Handwritten signature)*

**Amit Chaudhary**  
 Director  
 DIN: 08908841  
 Place: Gurugram  
 Date: July 16, 2025



**Lenskart Optical Trading LLC**  
**Statement of Cash flow for the year ended 31 March 2025**  
*(All amounts in INR Millions, unless otherwise stated)*

Particular	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Cash flow from operating activities</b>			
(Loss) for the year	(423.56)	(306.27)	(339.52)
Adjustment for :			
Depreciation of property, plant & equipment	47.71	35.76	18.38
Depreciation on right of use asset	94.97	69.81	39.68
Exchange translation difference	(29.55)	(11.67)	(27.73)
Finance charges on lease liability	51.61	26.69	17.30
Amortisation of intangible assets	0.01	-	-
Adjustments in right-of-use-assets	(0.09)	-	-
Finance charges on loan from holding company	102.10	53.54	26.16
Interest income on other financial assets	(2.24)	(1.46)	(0.92)
Employees' terminal benefits provided	10.88	6.46	4.63
Employee Stock option	1.99	2.72	0.89
Operating (loss) before working capital changes	(146.17)	(124.42)	(261.13)
Change in inventories	(47.44)	(40.05)	(17.68)
Change in trade and other receivables	(119.63)	6.59	(7.81)
Change in due from related parties	(95.24)	(63.24)	(18.10)
Change in prepayments	(10.61)	(5.32)	(13.36)
Change in trade and other payables	(9.72)	9.46	65.02
Change in due to related parties	(48.12)	74.50	54.49
Change in accrued expenses and provisions	183.93	9.11	15.94
Employees' terminal benefits paid	(3.13)	(1.01)	(1.00)
Net cash (used in) operating activities	(296.13)	(134.38)	(183.63)
<b>Cash flow from investing activities</b>			
Purchase of property, plant & equipment	-	(53.87)	(111.64)
Purchase of intangible assets	-	(0.04)	-
Proceeds from property, plant & equipment	-	2.11	-
Movement in capital work-in-progress	(44.34)	(0.15)	4.03
Investment in subsidiary	(0.06)	(2.27)	-
Other non current financial assets	(2.04)	(5.83)	(2.44)
Net cash (used in) investing activities	(46.44)	(60.05)	(110.05)
<b>Cash flow from financing activities</b>			
Movement in loan from shareholders	550.28	318.75	325.17
Repayment of lease liability	(134.50)	(110.22)	(49.52)
Net cash from financing activities	415.78	208.53	275.65
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>73.21</b>	<b>14.10</b>	<b>(18.03)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>35.72</b>	<b>21.62</b>	<b>39.65</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>108.93</b>	<b>35.72</b>	<b>21.62</b>

Cash and cash equivalents represent cash at bank and on hand

The accompanying notes from 1 to 35 form an integral part of the financial statements.

As per our report of even date attached.

**For Bansal & Co LLP**  
 Firm Regn. No. 001113N/N500079  
 Chartered Accountants

  
**Kapil Mittal**  
 Partner

Membership No.: 502221  
 Place: New Delhi

Date: 16/7/2025



**For Lenskart Optical Trading LLC**



**Peyush Bansal**  
 Director  
 DIN: 02070081  
 Place: Gurugram  
 Date: July 16, 2025





**Amit Chaudhary**  
 Director  
 DIN: 08908841  
 Place: Gurugram  
 Date: July 16, 2025

**1 Reporting entity**

Lenskart Optical Trading LLC" here-in-after called 'the Company' is a limited liability company - single owner (LLC-SO), operating under commercial license no. 985311 issued by the Economic Department, Government of Dubai.

The Company's share capital is AED 150,000/- which comprises of 1500 shares of AED 100/- each, fully held by Lenskart Solutions Pte Ltd., a company registered in Singapore.

The company is engaged in the business of spectacles and contact lenses trading.

The Company's operations are carried out through outlets in various parts of UAE which all are operating under separate branch licenses. There were 18 branches operating in UAE during the year.

The Company has a subsidiary in U.A.E.. These financial statements are prepared for the Company as a 'stand alone' financial statements since the Company's ultimate parent issues consolidated financial statements.

**2 Reporting period**

These financial statements cover the year from 01 April 2024 to 31 March 2025. The previous year covers the figures from the year from 01 April 2023 to 31 March 2024 and 01 April 2022 to 31 March 2023.

**3 Basis of preparation**

These financial statements of the Company comprises of the Statement of financial position as at 31 March 2025, Statement of profit and loss and other comprehensive income, Statement of cash flows, Statement of changes in equity for the year ended 31 March 2025 (along with comparatives for the year ended 31 March 2024 and year ended 31 March 2023) and accounting policies and explanatory notes (collectively referred to as "Financial Statements").

The audited financial statements of Lenskart Optical Trading LLC for year ended 31 March 2025, 31 March 2024 and 31 March 2023 having audit report signed on 20 May 2025, 04 July 2024 and 31 August 2023 respectively.

These financial statements have been translated by the Company in Indian Rupees (INR) in accordance with Indian Accounting Standard (Ind AS) 21 "The Effect of Changes in Foreign Currency Rates" as notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. These financial statements are translated into INR for the sole purpose of uploading the same on the website of Lenskart Solutions Limited (formally known as Lenskart Solutions Private Limited) ("The Ultimate Parent Company) in compliance with Schedule VI Part A Item No. (11)(1)(A)(h)(ii) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") for the proposed Initial Public Offer ("IPO") of the Ultimate Parent Company in India.

*Statement of compliance*

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs), which includes International Accounting Standards (IASs) and its Interpretations.

*Basis of measurement*

The financial statements have been prepared on the historical cost basis.

*Basis of accounting*

The Company follows the accrual basis of accounting under which the transactions and events are recognised as and when they occur and are recorded in the financial statements for the period to which they relate to.

**4 Significant accounting policies**

*Associated companies*

Associated companies are defined as those companies in which the Company holds a long term equity interest, has representation on the board of directors and is in a position to exercise significant influence in their management, but not control, over the financial & operating policies.

*Taxation*

Income tax expense represents the sum of the tax currently payable and deferred tax.

*Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years (temporary difference) and items that are never taxable or deductible (permanent difference). The Company's current tax is calculated as per Federal Decree-Law No. 47 of 2022.





*Deferred tax*

Deferred tax asset or deferred tax liability is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax asset is also recognised on unused tax losses and unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which it can be utilized.

*Current and deferred tax for the year*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**Property, plant & equipment**

(i) Basis of measurement

Property, plant & equipment are measured at cost less accumulated depreciation and any impairment in value.

(ii) Subsequent costs

The cost for replacing part of an item of property, plant & equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the part so replaced is derecognised. The costs of day-to-day servicing of property, plant & equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated to write-off the cost of property, plant & equipment on the straight line basis over their estimated useful lives as follows :

	<i>Number of years</i>
Leasehold improvements	5 Years
Plant & machinery	5 Years
Furniture & electric fixtures	5 - 7 Years
Office equipment	5 Years
Computer & peripherals	3 Years

**Intangible assets**

The Company recognise an intangible asset, when it is probable that there will be future economic benefits from the asset; and the cost of the asset can be reliably measured. These are measured at cost less accumulated amortisation and any accumulated impairment losses. An intangible asset with a finite useful life is amortised and is subject to impairment testing. An intangible asset with an indefinite useful life is not amortised, but is tested annually for impairment. When an intangible asset is disposed of, the gain or loss on disposal is included in profit or loss.

Intangible assets of the Company comprise of cost incurred for acquiring computer software which are amortised to profit or loss on a straight line basis over their estimated useful lives of 5 years.

**Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis which includes the import and other associated costs till it reaches the warehouse / premises. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less cost to complete and sell. The impairment loss is recognized immediately in profit or loss.



**Financial instruments**

Financial instruments include financial assets and financial liabilities. Financial assets and financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the instrument.

**Financial assets**

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis. All financial assets not classified as measured at amortized cost or FVTOCI as described above, are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets - subsequent measurement**

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method and is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss.

**Financial assets - derecognition**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

**Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.



**Impairment of assets**

(i) Financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and debt instruments at FVTOCI, but not to investments in equity instruments. The new model requires considerable judgement in selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12 month ECLs; these are ECLs that result from all possible default within 12 months after the reporting date; and
- Lifetime ECLs; these are ECLs that result from all possible default over the expected life of a financial instrument.

For trade receivables and contract assets that do not contain a significant financing component, the Company adopts the simplified approach and measures loss allowances at an amount equal to lifetime ECL (i.e. the risk of default occurring over the expected life of the financial instrument). For bank balances, 12 month ECL is applied as it is assumed that the credit risk has not increased significantly since initial recognition. For all other financial assets, the credit allowance is determined after assessing the stage in which the particular financial asset is placed; whether performing, credit risk significantly increased or credit-impaired.

Loss allowance under lifetime ECL basis is calculated by applying a default rate percentage to the group of financial assets. The financial assets are grouped based on their characteristics and considering various relevant circumstances. While calculating a default rate percentage, the management analyses the historical credit loss experience and then adjust them by forward-looking information.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Company expects to receive. The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements by the Company.

(ii) Non financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.



**Foreign currency**

**Foreign currency transactions**

Transactions in foreign currencies are translated to UAE Dirhams at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to UAE Dirhams at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to UAE Dirhams at the foreign exchange rates ruling at the dates the values were determined. All differences are taken to profit or loss.

**Functional currency and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency") which is United Arab Emirates Dirham ("AED"). These financial statements are presented in Indian Rupees (INR). All values are reported in INR millions. These financial statements have been translated into INR using the following procedures:

- (a) Assets and liabilities for each reporting dates are translated at the closing rates at the date of reporting dates i.e. 2025 - INR 23.2626 per AED, 2024 - INR 22.6945 per AED and 2023 - INR 22.3773 per AED.
- (b) Income and expenses for each statement of comprehensive income are translated at average rate for the year i.e. 2025 - INR 23.0152 per AED, 2024 - INR 22.5450 per AED and 2023 - INR 21.8555 per AED.
- (c) Share Capital and Accumulated (loss) as at 1 April 2022, have been computed at opening rate as at 1 April, 2022 i.e. INR 20.6836 per AED.
- (d) All resulting exchange difference are recognised in other comprehensive income and accumulated in "Foreign Currency Translation Reserve" in other equity.

**Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

(i) Sale of goods

The company is engaged in the business of spectacles and contact lenses trading. Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Delivery occurs when the products have been shipped/transported to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied.

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 (e.g., warranties, customer loyalty points). 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).

- (ii) Revenue from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred and the balance amount is recognised as deferred revenue.
- (iii) Revenue from membership fees is recognised over the period of membership.
- (iv) Management fee income:  
The management fee income is recognized on accrual basis as the service is provided.

**Expenditure**

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.





**Leases**

**Company as a lessee;**

For all leases, other than lease of low-value assets or short term leases, the Company as a lessee, recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate which reflects the fixed rate at which the Company could borrow an amount similar to the value of the right-of-use asset, in the same currency, for a same term, and with similar collateral. Generally the Company uses its incremental borrowing rate as the discount rate.

**Company as a lessor;**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognised lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

**Employee's terminal benefits**

Employees' terminal benefits are provided for in accordance with the UAE Labour Law based on employees' salaries and number of years of service.

**Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement consist of cash in hand and cash at bank.

**5 Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have most significant effect on the amounts recognised in the financial statements are described below:

**Impairment losses on inventories**

The Company reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in profit or loss, the Company makes judgement as to whether there is any observable data indicating that there is any future saleability of the product and the net realisable value for such product. Accordingly, provision for impairment is made where the net realisable value is less than cost based on best estimates by the management. The provision for obsolescence of stock in inventory is based on past movement of the inventory.





*Impairment losses on property, plant and equipment*

The Company reviews its property, plant and equipment to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be recognised in profit or loss, the Company makes judgments as to whether there is any observable data indicating that there is a reduction in the carrying value of property, plant and equipment. Accordingly, provision for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property, plant and equipment.

*Impairment losses on trade and other receivables and other financial assets*

The Company reviews its trade and other receivables and other financial assets to assess impairment at least on annual basis. The Company's credit risk is primarily attributable to its trade receivables. In determining whether the impairment loss should be reported in profit or loss, the Company makes judgement as to whether there is any observable data indicating that there is a measurable decrease in the amount to be realized from the respective parties. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of reduction in the recoverability of the cash flows.

*Estimated useful lives and residual values of property, plant and equipment*

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and the expected physical wear and tear which depends on operational factors. The Company management has carried out a review of the useful lives and residual values of property and equipment. Management has not highlighted any requirement for an adjustment to the residual values and remaining useful lives of property, plant and equipment for the current or future periods.



**Lenskart Optical Trading LLC**  
**Notes to the financial statements for the year ended 31 March 2025**  
*(All amounts in INR Millions, unless otherwise stated)*

**6 Property, plant & equipment**

Particular	Leasehold improvements	Plant and machinery	Office equipment	Furniture & electric fixture	Computers & peripherals	Total
<b>Cost or deemed cost :</b>						
As at 01 April 2022	15.14	1.99	1.88	7.56	1.26	27.83
Additions during the year	68.64	21.03	9.51	9.93	2.52	111.63
Transfers from capital work in progress	10.22	0.08	1.30	10.48	1.06	23.14
Exchange translation difference	3.12	0.66	0.40	1.11	0.19	5.48
<b>As at 31 March 2023</b>	<b>97.12</b>	<b>23.76</b>	<b>13.09</b>	<b>29.08</b>	<b>5.03</b>	<b>168.08</b>
Additions during the year	35.28	0.07	2.50	13.53	2.49	53.87
Disposal during the year	-	(1.67)	(0.44)	-	-	(2.11)
Transfers from capital work in progress	1.78	0.04	0.04	2.43	0.05	4.34
Exchange translation difference	1.61	0.32	0.21	0.52	0.08	2.74
<b>As at 31 March 2024</b>	<b>135.79</b>	<b>22.52</b>	<b>15.40</b>	<b>45.56</b>	<b>7.65</b>	<b>226.92</b>
Transfers from capital work in progress	21.71	12.21	4.28	5.14	1.15	44.49
Exchange translation difference	3.63	0.70	0.43	1.20	0.20	6.16
<b>As at 31 March 2025</b>	<b>161.13</b>	<b>35.43</b>	<b>20.11</b>	<b>51.90</b>	<b>9.00</b>	<b>277.57</b>
<b>Depreciation &amp; impairment losses :</b>						
As at 01 April 2022	0.47	0.08	0.06	0.30	0.04	0.95
Depreciation for the year	11.57	1.91	1.42	2.53	0.96	18.39
Exchange translation difference	0.32	0.06	0.03	0.08	0.02	0.51
<b>As at 31 March 2023</b>	<b>12.36</b>	<b>2.05</b>	<b>1.51</b>	<b>2.91</b>	<b>1.02</b>	<b>19.85</b>
Depreciation for the year	22.69	2.49	3.52	5.05	2.01	35.76
Exchange translation difference	0.33	0.05	0.05	0.08	0.03	0.54
<b>As at 31 March 2024</b>	<b>35.38</b>	<b>4.59</b>	<b>5.08</b>	<b>8.04</b>	<b>3.06</b>	<b>56.15</b>
Depreciation for the year	29.56	3.31	5.00	7.05	2.80	47.72
Exchange translation difference	1.20	0.15	0.18	0.27	0.10	1.90
<b>As at 31 March 2025</b>	<b>66.14</b>	<b>8.05</b>	<b>10.26</b>	<b>15.36</b>	<b>5.96</b>	<b>105.77</b>
<b>Carrying amount :</b>						
As at 31 March 2023	84.76	21.71	11.58	26.17	4.01	148.23
As at 31 March 2024	100.41	17.93	10.32	37.52	4.59	170.77
<b>As at 31 March 2025</b>	<b>94.99</b>	<b>27.38</b>	<b>9.85</b>	<b>36.54</b>	<b>3.04</b>	<b>171.80</b>



## 7 Intangible assets

Particular	Software	Total
<b>Cost or deemed cost :</b>		
As at 01 April 2023	-	-
Addition during the year	0.04	0.04
Exchange translation difference	-	-
As at 31 March 2024	0.04	0.04
Addition during the year	-	-
Exchange translation difference	-	-
<b>As at 31 March 2025</b>	<b>0.04</b>	<b>0.04</b>
<b>Amortization &amp; impairment losses :</b>		
As at 01 April 2023	-	-
Amortization expenses during the year	-	-
Exchange translation difference	-	-
As at 31 March 2024	-	-
Amortization expenses during the year	0.01	0.01
Exchange translation difference	-	-
<b>As at 31 March 2025</b>	<b>0.01</b>	<b>0.01</b>
<b>Carrying amounts :</b>		
<b>As at 31 March 2024</b>	<b>0.04</b>	<b>0.04</b>
<b>As at 31 March 2025</b>	<b>0.03</b>	<b>0.03</b>

## 8 Right of use assets

Particular	Leased promises	Total
<b>Cost or deemed cost :</b>		
As at 01 April 2022	90.51	90.51
Addition during the year	212.72	212.72
Exchange translation difference	12.49	12.49
As at 31 March 2023	315.72	315.72
Addition during the year	156.35	156.35
Exchange translation difference	5.52	5.52
As at 31 March 2024	477.59	477.59
Addition during the year	86.47	86.47
Reclassifications during the year	19.82	19.82
Exchange translation difference	13.09	13.09
<b>As at 31 March 2025</b>	<b>596.97</b>	<b>596.97</b>
<b>Depreciation &amp; impairment losses :</b>		
As at 01 April 2022	4.73	4.73
Depreciation for the year	39.68	39.68
Exchange translation difference	1.33	1.33
As at 31 March 2023	45.74	45.74
Depreciation for the year	69.81	69.81
Adjustments during the year	-	-
Exchange translation difference	1.11	1.11
As at 31 March 2024	116.66	116.66
Depreciation for the year	94.97	94.97
Reclassifications during the year	19.82	19.82
Adjustments during the year	(0.09)	(0.09)
Exchange translation difference	4.16	4.16
<b>As at 31 March 2025</b>	<b>235.52</b>	<b>235.52</b>



**Carrying amounts :**

As at 31 March 2023

As at 31 March 2024

As at 31 March 2025

269.98	269.98
360.93	360.93
361.45	361.45

**Notes:**

(i). The Company has lease contracts for stores used in the normal course of business. The Company's obligation under its leases are secured by the lessor's title to the leased asset. Such leases are recognized as right to use asset.

The Company also has office on lease with lease period less than 12 months. The Company applies the "short term lease" recognition exemption for these leases.

(ii) The movement in lease liabilities during the year ended 31 March are as follows:

Particular	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	346.74	269.64	78.39
Additions during the year	85.59	152.88	207.11
Finance cost accrued during the year	51.61	26.69	17.30
Payment of lease liabilities	(133.41)	(106.76)	(43.90)
Exchange translation difference	8.72	4.29	10.74
<b>Balance as at end of the year</b>	<b>359.25</b>	<b>346.74</b>	<b>269.64</b>
<i>Current lease liabilities</i>	139.26	78.79	54.07
<i>Non - Current lease liabilities</i>	219.99	267.95	215.57

The effective interest rate for lease liabilities is 9.60%

(iii) The following are the amount recognized in statement of profit or loss:

Particular	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation expense on right of use assets	94.97	69.81	39.68
Interest expense on lease liabilities	51.61	26.69	17.30
Expense relating to short term lease (included in other expense)	51.45	21.95	23.66

(iv) Details of the contractual maturity of lease liabilities as at 31 March on an undiscounted basis are as follows.

Particular	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Not later than one year	146.54	99.64	77.71
Later than one year but not later than five years	266.89	257.38	311.27

**9 Capital work in progress**

Particular	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Opening balance	0.15	4.31	29.70
Addition during the year	44.34	0.15	4.21
Capitalized during the year	(44.50)	(4.34)	(23.14)
Expensed during the year	-	-	(1.45)
Reversed during the year	-	-	(6.79)
Exchange translation difference	0.01	0.03	1.78
	-	0.15	4.31

This represents the costs incurred on the stores under improvement.



**Lenskart Optical Trading LLC****Notes to the financial statements for the year ended 31 March 2025**

(All amounts in INR Millions, unless otherwise stated)

**10 Investment in subsidiary**

Particular	As at	As at	As at
	31 March 2025	31 March 2024	31 March 2023
Investment at cost	2.33	2.27	-

*This represents the acquisition of 100% shareholding in Lenskart Optical Lenses Cutting LLC, a limited liability company registered in U.A.E. The investment is stated at cost.*

**11 Deferred tax assets**

This is the potential tax benefits of the tax losses carried forward which can be used to offset future taxable income of the company as per the current tax laws of of UAE, subject to recoverability assessment.

**12 Other non-current financial assets**

Particular	As at	As at	As at
	31 March 2025	31 March 2024	31 March 2023
Security deposits	25.49	21.21	13.92

*This represents the security deposits against leased premises which are given on a long-term basis, stated at their discounted value.*

**13 Inventories**

Particular	As at	As at	As at
	31 March 2025	31 March 2024	31 March 2023
Finished goods for sale	128.36	80.65	43.15
Less: provision for shrinkage	(6.79)	(6.52)	(9.07)
	121.57	74.13	34.08

**14 Trade and other receivables**

Particular	As at	As at	As at
	31 March 2025	31 March 2024	31 March 2023
Trade receivable	40.94	7.40	1.72
Advances to suppliers	82.79	-	-
* Value added tax receivable	2.24	-	-
Deposits	2.14	1.18	3.92
Other advances and receivables	0.10	-	-
Staff advance	-	-	1.68
Duties and taxes receivable	-	-	7.85
	128.21	8.58	15.17

\* Value added tax recoverable represents the Company's claim towards value added taxes paid on the purchases & expenses (input taxes) after deducting the tax collected from customers (output taxes) based on the return prepared and filed by the management as per VAT rules & regulations in UAE, and subject to assessment and confirmation by the Federal Tax Authority.





**Lenskart Optical Trading LLC**

**Notes to the financials statements for the year ended 31 March 2025**

(All amounts in INR Millions, unless otherwise stated)

**15 Related party transactions and balances**

Related parties include the shareholders, key management personnel, fellow subsidiaries, associates, joint ventures, directors and entities which are controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence.

Below are the Related parties of the Company:

**(i) Ultimate Holding Company**

Lenskart Solutions Limited (formerly known as Lenskart Solutions Private Limited)

**(ii) Holding Company**

Lenskart Solutions Pte. Ltd.

**(iii) Subsidiary Company**

Lenskart Optical Lenses Cutting LLC (previously : LKN Optical Trading LLC)

**(iv) Key management personnel**

Peyush Bansal - Director

Amit Chaudhary - Director

**(a) Transactions with the related parties during the year were as below:**

Particular	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Lenskart Solutions Pte. Ltd.:</b>			
Services availed	5.44	1.05	1.78
Recharge of expenses	8.85	-	-
Management fee	51.77	21.59	11.13
Asset purchase	-	-	0.33
Loan taken during the year	-	-	307.08
Interest expense on loan	102.10	53.54	26.16
<b>Lenskart Solutions Limited (formerly known as Lenskart Solutions Private Limited) :</b>			
Reimbursement of expenses	-	-	16.74
Purchase of consumables	14.81	5.03	1.30
Purchase of goods	108.15	111.61	75.05
Asset purchase	14.53	9.62	4.76
<b>Lenskart Optical Lenses Cutting LLC (previously : LKN Optical Trading LLC) :</b>			
Recharge of expenses	29.98	43.49	15.71
Sale of goods	39.15	-	0.91
Purchase of goods	152.03	-	-
Interest expense on loan	-	1.63	-
Management fee	31.81	-	-
<b>Lenskart Arabia Limited</b>			
Reimbursement of expenses	28.83	2.51	-
Management fee income	66.75	-	-
Sale of consumables	-	0.18	-

**(b) Balance between the Company and its related parties as at end of the year 31 March were as below:**

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
<b>Due from related parties :</b>			
Lenskart Arabia Limited	167.52	68.45	-
Lenskart Optical Lenses Cutting LLC (previously : LKN Optical Trading LLC)	8.63	12.47	17.24
Lenskart Solutions INC	0.43	0.42	0.41
Lenskart Solutions FZCO, Dubai	-	-	0.45
	<u>176.58</u>	<u>81.34</u>	<u>18.10</u>

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
<b>Loan from shareholders</b>			
Lenskart Solutions Pte. Ltd.	<u>1,499.60</u>	<u>847.22</u>	<u>474.93</u>

The loans are carrying interest @ 9.6 % p.a. and the above balance includes the accrued interest also. Though as per the agreement, the loans are payable on demand, the management has decided to consider it as non current liability.

	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
<b>Due to related parties</b>			
Lenskart Solutions Pte. Ltd.	161.55	109.92	85.91
Lenskart Solutions Limited (formerly known as Lenskart Solutions Private Limited)	42.97	142.72	92.24
Lenskart Solutions FZCO, Dubai	0.01	0.01	-
	<u>204.53</u>	<u>252.65</u>	<u>178.15</u>



16 Prepayments

Particular	As at	As at	As at
	31 March 2025	31 March 2024	31 March 2023
Insurance	13.35	7.83	0.68
Visa	12.76	12.28	-
Rent and other store expenses	7.01	3.82	12.48
License, legal and professional expenses	5.24	4.53	6.84
Others	4.39	3.68	6.82
	<b>42.75</b>	<b>32.14</b>	<b>26.82</b>

17 Cash and cash equivalents

Particular	As at	As at	As at
	31 March 2025	31 March 2024	31 March 2023
Cash in hand	0.40	0.46	0.21
HSBC Bank - current account	108.53	35.26	21.41
	<b>108.93</b>	<b>35.72</b>	<b>21.62</b>

18 Share capital

Particular	As at	As at	As at
	31 March 2025	31 March 2024	31 March 2023
<i>Issued and fully paid, with no par value</i> 1500 Equity shares of AED 100 each	3.10	3.10	3.10

19 Lease liability

Particular	As at	As at	As at
	31 March 2025	31 March 2024	31 March 2023
As at 31 March 2025 (refer note: 8)	359.25	346.74	269.64
Non-current liabilities	219.99	267.95	215.56
Current liabilities	139.26	78.79	54.07

20 Provision for employee stock option

Particular	As at	As at	As at
	31 March 2025	31 March 2024	31 March 2023
Provision created under employee stock option plan	5.69	3.61	0.89

Provision has been created under the employee stock option plan as defined in the 'Plan' which was established by a shareholders' resolution with the objective of granting options, at the discretion of the Company, to the Optionee who are eligible and qualify under the Plan. Such options shall be convertible into share of the Company on exercise of such options. Company here refers to 'Lenskart Solutions Limited', the ultimate Parent Company.

21 Trade and other payables

Particular	As at	As at	As at
	31 March 2025	31 March 2024	31 March 2023
Trade creditors	79.51	99.96	86.45
Advance from customers	16.21	9.36	12.74
* Deferred revenue	13.51	7.45	10.30
Value added tax payable	-	2.18	-
	<b>109.23</b>	<b>118.95</b>	<b>109.49</b>

\* This represents the membership fee collected from customers for the year 2024-25, 2023-24 and 2022-23.

22 Accrued expenses and provisions

Particular	As at	As at	As at
	31 March 2025	31 March 2024	31 March 2023
Marketing expenses	78.21	-	-
Rent and related expenses	46.47	-	-
Staff benefits	35.97	11.90	9.10
Provision for warranty	19.55	7.99	3.17
Professional and legal expenses	19.36	-	-
Others	19.71	15.54	14.05
	<b>219.27</b>	<b>35.43</b>	<b>26.32</b>



23 Revenue from operations

Particular	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of traded goods	834.96	472.24	214.09
	<b>834.96</b>	<b>472.24</b>	<b>214.09</b>

24 Cost of revenue

Particular	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening inventory	80.65	43.15	16.40
Purchase	356.25	160.58	94.74
Warranty	11.23	4.75	3.09
Duty & freight	11.15	4.93	1.53
Other direct expenses	2.49	1.76	1.00
Inventory shrinkage provision provided/reversed	0.11	(2.67)	8.86
Less: closing inventory	(128.36)	(80.65)	(43.15)
Exchange translation difference	2.51	0.86	1.94
	<b>336.03</b>	<b>132.71</b>	<b>84.41</b>

25 Other income

Particular	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Management support service fee	98.62	-	-
Sublease income	13.77	15.06	-
	<b>112.39</b>	<b>15.06</b>	<b>-</b>

26 General and administrative expense

Particular	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and benefits	346.03	243.13	168.28
Marketing expense	173.71	119.87	97.54
Management charges	51.81	21.59	11.13
Stores rent and other expenses	51.45	21.95	23.66
Bank charges and exchange losses	25.14	10.22	8.26
Legal and professional charges	24.32	16.02	30.58
Insurance expenses	14.38	7.69	5.21
Telephone expenses	12.96	6.37	4.99
Electricity and water expenses	10.83	3.94	2.87
Office maintenance	9.81	7.28	3.04
Travel and conveyance	7.87	10.39	5.89
Repairs and maintenance	4.00	2.72	3.31
Other expenses	3.30	1.51	0.36
Postage and courier charges	2.76	2.83	2.18
Printing and stationary expenses	2.35	1.01	1.30
	<b>740.72</b>	<b>476.52</b>	<b>368.60</b>

27 Depreciation and amortization expenses

Particular	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property plant & equipment (refer note 6)	47.71	35.76	18.38
Depreciation on right of use asset (refer note 8)	94.97	69.81	39.68
Amortisation of intangible assets	0.01	-	-
	<b>142.69</b>	<b>105.57</b>	<b>58.06</b>

28 Finance charge

Particular	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on loan from holding company	102.10	53.54	26.16
Finance charges on lease liability	51.61	26.69	17.30
Less: interest income on financial assets	(2.24)	(1.46)	(0.92)
	<b>151.47</b>	<b>78.77</b>	<b>42.54</b>

29 Income tax

Particular	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2023
Tax on current year loss carried forward	37.97	-	-

Tax on current year losses carried forward is calculated based on the basic rules on tax losses as per the tax laws effective for the year, subject to recoverability assessment by the Tax Authorities.



**30 Financial risk management objectives & policies**

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, and market risk (including foreign exchange risk). The directors review and agree policies and procedures for the management of these risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

There has been no change to the Company's exposure to these financial risk or the manner in which it manages and measures the risks.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial asset fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and other deposits etc.

The carrying amounts of financial assets represent the maximum credit risk exposure.

*(i) Credit risk management*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company has no exposure to credit risk with respect to receivables. For other financial assets including bank balances and other receivables, the Company minimizes credit risk by dealing exclusively with high credit rating counterparties. The Company has no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Cash at bank is placed with reputable financial institutions with high credit ratings and no history of default.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company monitors its liquidity risk and maintains a level of bank balances deemed adequate by the directors to finance the Company's operations and rely on the financial support of its immediate holding company to mitigate the effects of fluctuations in cash flows. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. The contractual cash flows of the Company's current financial liabilities approximate the carrying amounts and they are expected to be settled within the next twelve months.

**Market risk**

As at reporting date, as the Company's transactions are primarily denominated in AED, it is subjected to minimal foreign exchange exposure. Hence, no sensitivity analysis is prepared.

*(i) Foreign currency risk*

The Company is not exposed to any significant foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Company entities. Company currently does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes.

*(ii) Interest rate risk*

**Liabilities:** The Company is not exposed to interest rate risk as the borrowings carries a fixed rate of interest.

**Assets:** The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

*(iii) Price risk*

The company is not exposed to price risk as there is no investments as on 31 March 2025.



**Lenskart Optical Trading LLC**

**Notes to the financial statements for the year ended 31 March 2025**

(All amounts in INR Millions, unless otherwise stated)

**31 Capital management**

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern.
- to provide an adequate return to shareholders.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage.

**32 Going concern assumption**

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future and will be able to meet its obligations as they fall due. As at 31 March 2025, the Company's total equity was negative amounting to INR 1238.36 million (AED 53.23 million), primarily due to accumulated losses from prior periods. Despite this, the Directors have concluded that it remains appropriate to prepare the financial statements on a going concern basis since the Company is supported by shareholder loan of INR 1499.60 million (AED 64.46 million) which will not be called for repayment in the next 12 months as confirmed by the shareholder and also, the management is fully confident of better business performance by the Company in the next year.

**33 Fair values of financial instrument**

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Company includes trade and other receivables, due from related parties & cash and cash equivalents. Financial liabilities of the Company includes loan from shareholder, trade and other payables, due to related parties & accrued expenses and provisions. The fair values of the financial assets and liabilities are not materially different from their carrying values unless stated otherwise.

**34 Subsequent events**

There were no significant events occurring after the statement of financial position date that would materially affect the working or the financial statements of the Company.

**35 Reclassification of figures of the preceding year's financial statements**

Certain figures of the financial statements for the year ended 31 March 2024 and 31 March 2023 have been reclassified to be consistent with the current year's classification.

As per our report of even date attached.

**For Bansal & Co LLP**

Firm Regn. No. 001113N/N500079

Chartered Accountants



**Kapil Mittal**

Partner

Membership No.: 502221

Place: New Delhi

Date: 16/07/25



**For Lenskart Optical Trading LLC**



**Peyush Bansal**

Director

DIN: 02070081

Place: Gurugram

Date: July 16, 2025



**Amit Chaudhary**

Director

DIN: 08908841

Place: Gurugram

Date: July 16, 2025

