

**J. C. BHALLA & CO.**  
CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors**  
**Lenskart Arabia Limited**

### Report on Special Purpose Financial Statements

We have audited the accompanying Special Purpose Financial Statements of Lenskart Arabia Limited (the "Company"), which comprise the special purpose Balance Sheet as at March 31, 2025, the special purpose Statement of Profit and Loss (including other comprehensive income), the special purpose statement of changes in Equity as at March 31, 2025 and special purpose Cash Flow Statement for the financial period from April 01, 2024 to March 31, 2025, and a summary of the material accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Financial Statements").

These Special Purpose Financial Statements have been approved by the Board of Directors of the Company and have been prepared by the Management for its internal use in relation to preparation of consolidated financial statements of the Lenskart Solutions Pte Limited ("the parent Company") and Lenskart Solutions Private Limited ("the ultimate parent Company") for the year ended March 31, 2025.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Financial Statement are prepared in all material respects, in accordance with the basis of preparation as indicated in Note 1 to the accompanying the Special Purpose Financial Statements.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter - Basis of accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the accompanying the Special Purpose Financial Statements, which describes the basis of accounting. As a result, the Special Purpose Financial Statements may not be suitable for another purpose. Our report is intended solely for the purpose of the preparation of consolidated financial statement of the parent Company and the ultimate



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parent Company and should not be used, referred to or distributed for any other purpose. Our opinion is not modified in respect of this matter.

### **Management's Responsibility**

The Company's Board of Directors is responsible for the preparation of these Special Purpose Financial Statements in accordance with the basis of preparation indicated in Note 1 to the accompanying Special Purpose Financial Statements. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation of these Special Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether these Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For J. C. Bhalla & Co.  
Chartered Accountants  
Firm Regn No. 001111N



(Akhil Bhalla)  
Partner  
Membership No. 505002  
UDIN: 25505002BMILJJ7047



Place : Noida  
Date : May 20, 2025

**Lenskart Arabia Limited**

**Special Purpose Standalone Balance Sheet as at 31 March 2025**

(All amounts in INR unless otherwise stated)

Particulars	Note	As at 31 Mar 2025	As at 31 Mar 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	19,34,57,718	9,53,21,935
Other intangible assets	4	1,74,931	1,53,197
Right to use asset	3	44,63,50,044	29,69,09,636
<b>Financial assets</b>			
--Other financial assets	5	1,37,33,448	1,02,77,739
Other non-current assets		61,98,879	-
<b>Total non-current assets</b>		<b>65,99,15,020</b>	<b>40,26,62,507</b>
<b>Current assets</b>			
Inventories	6	6,88,07,644	2,34,82,760
<b>Financial assets</b>			
-Trade receivables		-	-
-Cash and cash equivalents	7	4,07,53,715	1,46,05,224
Other current assets	8	12,06,17,590	2,42,99,667
<b>Total current assets</b>		<b>23,01,78,949</b>	<b>6,23,87,651</b>
<b>Total assets</b>		<b>89,00,93,969</b>	<b>46,50,50,158</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	9	48,73,44,509	12,40,34,981.00
Other equity	10	(66,49,69,065)	(16,89,74,328.00)
<b>Total equity</b>		<b>(17,76,24,556)</b>	<b>(4,49,39,347.00)</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>(17,76,24,556)</b>	<b>(4,49,39,347.00)</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
--Lease Liabilities		-	-
Other non-current liabilities	11	30,14,29,299	22,69,30,516.00
<b>Total non-current liabilities</b>		<b>30,40,69,905</b>	<b>22,69,30,516.00</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	12	82,894	-
Trade payables		-	-
b) total outstanding dues other than dues of micro and small enterprises		-	-
-lease Liabilities	13	57,27,66,134	22,54,91,235
Other financial liabilities	14	14,09,40,491	5,16,98,614
Provision	15	1,16,23,250	15,30,882
Other current liabilities	16	2,17,88,892	14,28,787
<b>Total current liabilities</b>		<b>1,64,46,959</b>	<b>29,09,471</b>
<b>Total liabilities</b>		<b>76,36,48,620</b>	<b>28,30,58,989</b>
<b>Total equity and liabilities</b>		<b>1,06,77,18,525</b>	<b>50,99,89,505</b>
		<b>89,00,93,969</b>	<b>46,50,50,158</b>

Material accounting policies (refer note no. 1)

1

The accompanying notes form an integral part of these special purpose financial statements

As per our report of even date attached

For J. C. Bhalla & Co.  
Chartered Accountants  
Firm Registration No.: 001111N

Akhil Bhalla  
Partner  
Membership No. : 505002

Place: Noida  
Date: May 20, 2025

For and on behalf of the Board of Directors of  
Lenskart Arabia Limited

Amit Chaudhary  
Director  
DIN: 08908841

Place:  
Date: May 20, 2025



**Lenskart Arabia Limited**

**Special Purpose Standalone Statement of Profit and Loss for the year ended 31 March 2025**

(All amounts in INR unless otherwise stated)

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
<b>Income</b>			
Revenue from operations	17	33,76,60,587	2,35,19,345
Other income	18	10,31,320	4,41,503
<b>Total income</b>		<b>33,86,91,907</b>	<b>2,39,60,848</b>
<b>Expenses</b>			
Cost of materials consumed	19	15,41,11,282	3,57,67,549
Purchases of Stock in trade	20	(4,41,98,497)	(2,33,50,034)
Changes in inventory of traded goods	21	24,25,26,610	3,63,37,437
Employee benefits expense	22	4,48,58,557	1,29,67,722
Finance costs	23	14,40,69,163	3,55,26,345
Depreciation and amortization expense	24	28,62,12,091	9,49,16,119
Other expenses		<b>82,75,79,206</b>	<b>19,21,65,138</b>
<b>Total expenses</b>		<b>(48,88,87,299)</b>	<b>(16,82,04,290)</b>
<b>Loss for the year (A)</b>			
<b>Other comprehensive income</b>			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(71,07,438)	(7,70,038)
<b>Other comprehensive income for the year (B)</b>		<b>(71,07,438)</b>	<b>(7,70,038)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>(49,59,94,737)</b>	<b>(16,89,74,328)</b>

Material accounting policies (refer note no. 1)

1

The accompanying notes form an integral part of these special purpose financial statements

As per our report of even date attached

For J. C. Bhalla & Co.  
Chartered Accountants  
Firm Registration No.:001111N

Amit Bhalla  
Partner  
Membership No. : 505002

Place: Noida  
Date: May 20,2025

For and on behalf of the Board of Directors of  
Lenskart Arabia Limited

Amit Chaudhary  
Director  
DIN:08908841

Place:  
Date: May 20, 2025



Aina Garg  
Director

Place:  
Date: May 20, 2025



**Lenskart Arabia Limited**

**Special Purpose Standalone Statement of Cash Flows for the year ended 31 March 2025**

*(All amounts in INR unless otherwise stated)*

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>A Cash flow from operating activities</b>		
Loss before tax	(48,88,87,299)	(16,82,04,290)
Adjustments for:		
Interest Income	(10,31,320)	(4,41,503)
Depreciation and amortization expense	14,40,69,162	3,55,26,345
Finance costs	4,48,58,557	1,29,67,722
<b>Operating profit before working capital adjustments</b>	(30,09,90,900)	(12,01,51,726)
<b>Working capital adjustments:</b>		
(Increase) in inventories	(4,53,24,884)	(2,34,82,760)
(Increase) in other financial assets	(41,02,909)	(1,07,19,242)
(Increase) in other assets	(10,25,16,788)	(2,42,99,666)
(Decrease) in other financial liabilities	1,00,92,368	15,34,140
Increase in other non current liabilities	26,40,606	-
Increase in other liabilities	1,35,37,488	29,09,471
Increase in trade payables	34,72,74,899	22,54,91,235
Increase in provisions	2,03,60,105	14,28,787
<b>Cash used in operating activities</b>	(5,90,30,016)	5,27,10,239
Income tax paid	-	-
<b>Net cash used in operating activities (A)</b>	(5,90,30,016)	5,27,10,239
<b>B Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(13,15,69,856)	(10,11,23,537)
Acquisition of intangible assets	(58,147)	(1,55,735)
<b>Net cash (used in)/flow from investing activities (B)</b>	(13,16,28,004)	(10,12,79,272)
<b>C Cash flows from financing activities</b>		
Proceeds from issue of share capital (including share premium)	36,33,09,528	12,40,34,981
Payment of principal portion of lease liabilities	(9,46,19,898)	(4,71,22,963)
Payment of interest portion of lease liabilities	(4,48,58,580)	(1,29,67,722)
<b>Net cash flow from financing activities (C)</b>	22,38,31,050	6,39,44,296
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	3,31,73,030	1,53,75,264
Net movement in Foreign currency translation reserve	(71,07,438)	(7,70,038)
Cash and cash equivalents at the beginning of the year	1,46,05,226	-
<b>Cash and cash equivalents at the end of the year</b>	4,06,70,818	1,46,05,226
<b>Cash and cash equivalents comprises of :</b>		
Cash on hand	36,86,218	3,44,577
Balances with scheduled bank in current accounts	3,70,67,497	1,42,60,648
Overdraft	(82,897)	-
Deposits with original maturity less than 3 months	-	-
	4,06,70,818	1,46,05,226

Material accounting policies (refer note no. 1)

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

As per our report of even date

For J. C. Bhalla & Co.  
Chartered Accountants  
Firm Registration No.:001111N

Akhil Bhalla  
Partner  
Membership No. : 505002

Place: Noida  
Date: May 20,2025



For and on behalf of the Board of Directors of  
Lenskart Arabia Limited

Aina Garg  
Director  
DIN:08908841

Place:  
Date: May 20, 2025

Amit Chaudhary  
Director  
DIN:08908841

Place:  
Date: May 20, 2025



**Lenskart Arabia Limited**

**Special Purpose Statement of changes in equity for the year ended 31 March 2025**  
*(All amounts in INR unless otherwise stated)*

**A Equity share capital**

Particulars	No. of shares	Amount
Balance as at 31 March 2023	55,91,611	12,40,34,981
Add:- Issued during the year	-	
Balance as at 31 March 2024	55,91,611	12,40,34,981
Add:- Issued during the year	1,59,18,407	36,33,09,528
Balance as at 31 March 2025	2,15,10,018	48,73,44,509

**B Other equity**

Particulars	Attributable to owners of the Group			Total	
	Reserves and surplus	Other comprehensive income	Foreign currency translation reserve		
	Retained earnings				
<b>Balance as at 31 March 2023</b>	-	-	-	-	
- Loss for the year	(16,82,04,290)	-	-	(16,82,04,290)	
- Other comprehensive income (net of tax)	-	(7,70,038)	(7,70,038)	(7,70,038)	
<b>Balance as at 31 March 2024</b>	<b>(16,82,04,290)</b>	<b>(7,70,038)</b>	<b>(7,70,038)</b>	<b>(16,89,74,328)</b>	
- Loss for the year	(48,88,87,299)	-	-	(48,88,87,299)	
- Expense for employee share option	-	-	(71,07,438)	(71,07,438)	
- Other comprehensive income (net of tax)	-	-	(71,07,438)	(71,07,438)	
<b>Balance as at 31 March 2025</b>	<b>(65,70,91,589)</b>	<b>(78,77,476)</b>	<b>(78,77,476)</b>	<b>(66,49,69,065)</b>	

Material accounting policies (refer note no. 1)

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

As per our report of even date attached

For J. C. Bhalla & Co.  
Chartered Accountants  
Firm Registration No.: 001111

Akhil Bhalla  
Partner  
Membership No. : 505002

Place: Noida  
Date: May 20, 2025



For and on behalf of the Board of Directors of  
Lenskart Arabia Limited

Aina Garg  
Director

Place:  
Date: May 20, 2025

Amit Chaudhary  
Director  
DIN:08908841

Place:  
Date: May 20, 2025



## Lenskart Arabia Limited

### Summary of Material Accounting Policies and Other Explanatory Information for the year ended 31 March 2025

#### **Reporting entity**

Lenskart Arabia Limited is domiciled and incorporated in Saudi Arabia. The address of the Company's registered office is Bldg 3141, Anas Bin Malik St., Al Malqa District, Riyadh 13521, KSA.

The Company's holding company is Lenskart Solutions Pte. Ltd, incorporated in Singapore and ultimate holding company is Lenskart Solution Pvt. Ltd incorporated in India.

The principal activities of the Company are retail and distribution of spectacles and other optical goods.

#### **1. Basis of preparation and material accounting policies**

##### **1A. Basis of Preparation**

These Special Purpose Financial Statements of the Company have been prepared by the Company in accordance with Indian accounting standards (IND-AS) notified under section 133 of the Companies Act 2013, read together with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other recognized accounting practices and policies in India. These Special Purpose Financial Statements have been prepared by the Management for the purpose of preparation of consolidated financial statements of the Lenskart Solution Pte Limited ("the parent Company") and Lenskart Solution Private Limited ("the ultimate parent Company") for the year ended March 31, 2025.

##### **1B. Basis of measurement**

The standalone financial statements have been prepared on the historical cost basis except for the following items:

<b>Items</b>	<b>Measurement basis</b>
Financial assets and liabilities like certain investments	Fair value
Other financial assets and liabilities	Amortised cost

##### **1C. Use of estimates and judgements**

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.



Summary of Material Accounting Policies and Other Explanatory Information for the year ended 31 March 2025

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**(i) Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2025 is included in the following notes:

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

**(ii) Impairment of trade receivables**

The impairment provisions for trade receivables disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**(iii) Provision for Warranties**

The company offers one year warranty on Eyeglass. Warranty costs on sale of goods are provided on the basis of management's estimate of the expenditure to be incurred during the unexpired period. Provision is made for the estimated liability in respect of warranty costs in the year of recognition of revenue and is included in the Statement of Profit and Loss. The estimates used for accounting for warranty costs are reviewed periodically and revisions are made as and when required.

**1D. Measurement of fair values**

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.



Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### **1E. Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,



- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as less than 12 months for the purpose of current and non-current classification of assets and liabilities.

### **1.1 Property, plant and equipment**

#### **i. Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use, amount of government grant and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### **ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### **iii. Depreciation**



Depreciation is provided on a pro-rata basis under the straight-line method. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset category	Estimated useful life (in years)
Office Equipment	5
Computers and Peripherals	3
Furniture and Fixtures	7
Leasehold Improvement	5
Electrical Fittings and Fixtures	7
Plant & Machinery	7

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

## 1.2 Financial instruments

### *(i) Recognition and initial measurement*

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

All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

### *(ii) Classification and subsequent measurement*

#### *Financial assets*

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.



Summary of Material Accounting Policies and Other Explanatory Information for the year ended 31 March 2025

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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

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

All financial assets not classified as measured at amortised cost or FVOCI 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 amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets: Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and



Summary of Material Accounting Policies and Other Explanatory Information for the year ended 31 March 2025

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

*Financial assets: Subsequent measurement and gains and losses*

*Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

*Financial assets at amortised cost*



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

***Financial liabilities: Classification, subsequent measurement and gains and losses***

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, or 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. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

***(iii) Derecognition***

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset,



Summary of Material Accounting Policies and Other Explanatory Information for the year ended 31 March 2025

the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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 under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

**(iv) *Offsetting***

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(v) *Impairment of financial assets***

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- a breach of contract such as a default or being past due.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.



Summary of Material Accounting Policies and Other Explanatory Information for the year ended 31 March 2025

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

*Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk for individual customers. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates and delays in realisations over the expected life of the trade receivable and is adjusted for forward looking estimates. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

*Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off



The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**(vi) *Impairment of assets***

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

**1.3 Inventories**

Inventories which comprise of finished goods are carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase and other expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

The methods of determination of cost of various categories of inventories are as follows:



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

#### 1.4 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks with an original maturity of three months or less and short-term highly liquid investments that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

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

#### 1.5 Revenue recognition

The Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Unless otherwise mentioned, the Company concludes that it is acting as a principal in the provision of goods or services in its contracts with customers.

##### (i) Sales of goods

Revenue from sale of goods is recognised upon transfer of control to the customers, at the point in time when the goods are sold to the customers.

##### (ii) Membership subscription

Revenue is recognised on a straight-line basis over the number of months of the membership subscription (i.e. over time). Revenue for unrecognised membership subscription is included in contract liabilities.

#### 1.6 Foreign currency

##### Foreign currency transactions

Functional currency of the company is SAR. For reporting purpose, it has been converted into reporting currency of holding company i.e. INR.

Transactions in functional currencies are translated into the reporting currencies of Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.



Monetary assets and liabilities denominated in functional currencies are translated into the reporting currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in functional currency are translated into the reporting currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in functional currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised as foreign currency translation reserve.

## 1.8 Employee benefits

The Company's obligation towards various employee benefits has been recognised as follows:

### i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.



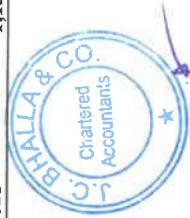
**Lenskart Arabia Limited**

Notes to the Special Purpose Standalone financial statements for the year ended 31 March 2025  
 (All amounts are in INR unless otherwise stated)

**Note- 2**

**Property, plant and equipment**

Particulars	Plant and machinery	Leasehold improvements	Furniture and fixtures	Office equipment	Computers and peripherals	Electrical fittings	Provision for reinstatement	Total
<b>Cost</b>								
At 01 April 2023	-	-	-	-	-	-	-	-
Additions during the year	5,74,98,017	2,88,59,834	14,31,991	1,02,68,182	30,65,513	-	-	10,11,23,537
Disposals	3,26,830	1,64,045	8,140	58,366	17,425	-	-	5,74,806
Exchange translation difference	-	5,78,24,847	2,90,23,879	14,40,131	1,03,26,548	30,82,938	-	10,16,98,343
At 31 March 2024	-	-	-	-	-	-	-	-
Additions during the year	1,32,76,563	5,78,24,847	2,90,23,879	14,40,131	1,03,26,548	30,82,938	-	10,16,98,343
Disposals	6,71,30,677	1,41,57,705	3,01,52,557	42,96,668	25,55,686	-	-	13,15,69,856
Exchange translation difference	-	15,27,794	7,66,842	38,102	2,72,838	81,454	-	26,87,030
At 31 March 2025	1,32,76,563	12,64,83,318	4,39,48,426	3,16,30,790	1,48,96,054	57,20,078	-	23,59,55,229
<b>Accumulated depreciation</b>								
At 01 April 2023	-	-	-	-	-	-	-	-
Depreciation charge for the year	39,15,296	13,06,431	54,990	9,19,725	1,43,926	-	-	63,40,368
Disposals	22,255	7,426	313	5,228	818	-	-	36,040
Exchange translation difference	-	39,37,551	13,13,857	55,303	9,24,953	1,44,744	-	63,76,408
At 31 March 2024	-	-	-	-	-	-	-	-
Depreciation charge for the year	18,71,618	39,37,551	13,13,857	55,303	9,24,953	1,44,744	-	63,76,408
Reclassification Adjustment	1,96,13,671	49,01,247	40,97,399	44,32,932	6,28,870	-	-	3,55,45,737
Disposals	-	-	-	-	-	-	-	-
Exchange translation difference	21,415	3,19,512	63,05,913	42,01,055	75,181	20,097	-	5,75,366
At 31 March 2025	18,93,033	2,38,70,734	63,05,913	42,01,055	54,33,066	7,93,711	-	4,24,97,511
<b>Net carrying amounts</b>								
At 31 March 2024	-	5,38,87,296	2,77,10,022	13,84,828	94,01,595	29,38,194	-	9,53,21,935
At 31 March 2025	1,13,83,530	10,26,12,584	3,76,42,513	2,74,29,735	94,62,988	49,26,367	-	19,34,57,718



**Lenskart Arabia Limited**

**Notes to the Special Purpose Financial Statements for the year ended 31 March 2025**

(All amounts are in INR unless otherwise stated)

**Note- 3**

**Leases**

The Company has lease contracts for various items Buildings used in its operation. Lease of building generally have lease term for 5 years. The Company's obligation under its leases are secured by the lessor's title to the leased asset.

The Company has certain leases of building with less than 12 months. The Company applies the " short term lease" and " lease of low value asset" recognition exemption for these leases.

The changes in the carrying value of ROU assets for the year ended 31 March 2025 are as follows:

Particulars	31 March 2025	31 March 2024
Opening balance	29,69,09,636	-
Additions	25,00,95,634	32,38,56,594
Deletion		
Adjustment on account of modification		
Exchange Difference	66,16,808	16,78,156
Depreciation	(10,72,72,034)	(2,86,25,114)
Impairment		
<b>Closing balance</b>	<b>44,63,50,044</b>	<b>29,69,09,636</b>

The aggregate depreciation expense on ROU asset is included under depreciation and amortization expense in the statement of profit and loss.

The movement in lease liabilities during the year ended 31 March 2025 are as follows:

Particulars	31 March 2025	31 March 2024
Opening balance	27,86,29,130	
Additions during the year	25,00,95,634	32,38,56,594
Finance cost accrued during the period	4,48,58,580	1,29,67,722
Adjustment on account of modification		
Exchange Difference	63,01,112	15,74,833
Deletions		
Payment of lease liabilities	(13,75,14,666)	(5,97,70,019)
<b>Closing balance</b>	<b>44,23,69,790</b>	<b>27,86,29,130</b>
Of which		
Current lease liabilities	14,09,40,491	5,16,98,614
Non- Current lease liabilities	30,14,29,299	22,69,30,516

The effective interest rate for lease liabilities is 10%.

The following are the amount recognised in statement of profit or loss:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation expense on right of use assets	10,72,72,034	2,86,25,114
Interest expense on lease liabilities	4,48,58,580	1,29,67,722
	<b>15,21,30,614</b>	<b>4,15,92,836</b>

\*CAM charges are not considered as rent expense for Ind AS 116.

Details of the contractual maturity of lease liabilities as at 31 March 2025 on an undiscounted basis are as follows:

Particulars	As 31 March 2025	As 31 March 2024
Not later than one year	14,82,29,107	7,81,27,635
Later than one year but not later than five years	37,62,95,979	26,96,38,273
Later than five years		



**Lenskart Arabia Limited**

**Notes to the Special Purpose Financial Statements for the year ended 31 March 2025**

*(All amounts are in INR unless otherwise stated)*

**4 Intangible assets**

Particulars	Softwares	Total
<b>Cost</b>		
<b>As at 01 April 2023</b>		
Additions during the year	1,55,735	1,55,735
Disposals	-	-
Exchange translation difference	885	885
<b>As at 31 March 2024</b>	<b>1,56,620</b>	<b>1,56,620</b>
<b>As at 01 April 2024</b>		
Additions during the year	58,147	58,147
Disposals	-	-
Exchange translation difference	4,138	4,138
<b>As at 31 March 2025</b>	<b>2,18,905</b>	<b>2,18,905</b>
<b>Accumulated amortisation</b>		
<b>As at 01 April 2023</b>		
Amortisation for the year	3,404	3,404
Disposals	-	-
Exchange translation difference	19	19
<b>As at 31 March 2024</b>	<b>3,423</b>	<b>3,423</b>
<b>As at 01 April 2024</b>		
Amortisation for the year	40,003	40,003
Disposals	-	-
Exchange translation difference	548	548
<b>As at 31 March 2025</b>	<b>43,974</b>	<b>43,974</b>
<b>Net carrying amounts</b>		
<b>As at 31 March 2024</b>	<b>1,53,197</b>	<b>1,53,197</b>
<b>As at 31 March 2025</b>	<b>1,74,931</b>	<b>1,74,931</b>



**Lenskart Arabia Limited**

**Notes to the Special Purpose Financial Statements for the year ended 31 March 2025**

(All amounts are in INR unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Note-5</b>		
Other non- current financial assets		
Unsecured, considered good		
-Security deposits	1,37,33,448	1,02,77,739
	<b>1,37,33,448</b>	<b>1,02,77,739</b>
<b>Note-5</b>		
Other non-current assets		
- Prepaid Expenses	61,98,879	-
	<b>61,98,879</b>	<b>-</b>
<b>Note-6</b>		
Inventories		
At lower of cost and net realisable value		
Traded goods (including goods in transit)	6,88,07,644	2,34,82,760
	<b>6,88,07,644</b>	<b>2,34,82,760</b>
<b>Note-7</b>		
Cash and cash equivalents		
Cash on hand	36,86,218	3,44,577
Balances with scheduled bank	3,70,67,497	1,42,60,647
	<b>4,07,53,715</b>	<b>1,46,05,224</b>
<b>Note-8</b>		
Other current assets		
Prepaid expenses	64,76,652	40,19,957
Balance with government authorities	5,44,26,979	1,73,01,832
Other receivables	1,71,11,836	5,31,519
Advances to suppliers	4,14,08,241	-
Imprest to Staff	11,93,882	24,46,359
	<b>12,06,17,590</b>	<b>2,42,99,667</b>
<b>Note-9</b>		
Equity share capital		
Equity share capital	48,73,44,509	12,40,34,981
	<b>48,73,44,509</b>	<b>12,40,34,981</b>
<b>Note-10</b>		
Other equity		
Retained earnings		
Opening balance	(16,82,04,290)	-
Add: Loss for the year	(48,88,87,299)	(16,82,04,290)
Balance at the end of the year	(65,70,91,589)	(16,82,04,290)
Foreign currency translation reserve		
Opening balance	(7,70,038)	-
Add: Movement during the year (refer note "ii" below)	(71,07,438)	(7,70,038)
Balance at the end of the year	(78,77,476)	(7,70,038)
<b>Total</b>	<b>(66,49,69,065)</b>	<b>(16,89,74,328)</b>

**Nature and purpose of reserves**

**(i) Retained earnings**

Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

**(ii) Foreign currency translation reserve**

This reserve is created due to changes in historic rates and closing rates of assets and liabilities of foreign subsidiary.



Particulars	As at 31 March 2025	As at 31 March 2024
<b>Note-11</b> <b>Non-Current Lease Liabilities</b> ROU Lease liabilities - Non-current	30,14,29,299 <b>30,14,29,299</b>	22,69,30,516 <b>22,69,30,516</b>
<b>Note-16</b> <b>Other current liabilities</b> Contract liabilities - Non Current	26,40,606 <b>26,40,606</b>	- - <b>- -</b>
<b>Note-12</b> <b>Trade payables</b> Payable to related party* Payable to unrelated parties	37,30,96,935 19,96,69,199 <b>57,27,66,134</b>	16,45,50,958 6,09,40,277 <b>22,54,91,235</b>

\*Refer note 26 of Related party disclosures

The trade payable ageing schedule for the year ended as on 31 March 2025 is as follows:

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Others	11,92,19,442	36,06,41,430	9,29,05,262	-	-	57,27,66,134

The trade payable ageing schedule for the year ended as on 31 March 2024 is as follows:

Particulars	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Others	5,26,45,569	17,28,45,666	-	-	-	22,54,91,235

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Note-13</b> <b>Current Lease Liabilities</b> ROU Lease liabilities	14,09,40,491 <b>14,09,40,491</b>	5,16,98,614 <b>5,16,98,614</b>
<b>Note-13</b> <b>Borrowings</b> Bank Overdraft	82,894 <b>82,894</b>	- <b>-</b>
<b>Note-14</b> <b>Other financial liabilities</b> Employee benefits payable	1,16,23,250 <b>1,16,23,250</b>	15,30,882 <b>15,30,882</b>
<b>Note-15</b> <b>Current Provisions</b> Provision For Gratuity Provision for Leave Encashment Provision for Warranty	80,12,839 82,91,497 54,84,556 <b>2,17,88,892</b>	10,73,991 - 3,54,796 <b>14,28,787</b>
<b>Note-16</b> <b>Other current liabilities</b> Statutory dues payable Contract liabilities Advance from Customers	27,62,512 61,91,271 74,93,176 <b>1,64,46,959</b>	9,09,773 - 19,99,698 <b>29,09,471</b>



**Lenskart Arabia Limited**

**Notes to the Special Purpose Financial Statements for the year ended 31 March 2025**

(All amounts are in INR unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Note- 17</b>		
<b>Revenue from operations</b>		
<b>Sale of goods</b>		
Sale of goods	33,14,69,293	2,35,19,345
<b>Sale of services</b>		
-Membership fee	61,91,294	-
	<b>33,76,60,587</b>	<b>2,35,19,345</b>
<b>Notes:</b>		
Sale of goods includes sale of manufactured and traded goods. These include prescription eyewear, sunglasses, contact lenses and accessories.		
<b>Note- 18</b>		
<b>Other income</b>		
Interest income:		
-on financial assets carried at amortised cost	10,31,320	4,41,503
	<b>10,31,320</b>	<b>4,41,503</b>
<b>Note- 19</b>		
<b>Purchase of stock in trade</b>		
Purchase of traded goods*	15,41,11,282	3,57,67,549
	<b>15,41,11,282</b>	<b>3,57,67,549</b>
*Refer note 26 for Related party		
<b>Note- 20</b>		
<b>Changes in inventory of traded goods</b>		
<b>Opening Balance</b>		
Traded goods	2,61,38,703	
<b>Closing Balance</b>		
Traded goods	6,88,07,644	2,61,38,703
Foreign Currency Translation	(15,29,556)	27,88,669
	<b>(4,41,98,497)</b>	<b>(2,33,50,034)</b>
<b>Note- 21</b>		
<b>Employee benefits expense</b>		
Salaries, wages and bonus	22,65,70,553	3,19,35,173
Gratuity	74,60,338	10,67,921
Staff welfare	84,95,719	33,34,343
	<b>24,25,26,610</b>	<b>3,63,37,437</b>



**Lenskart Arabia Limited**

**Notes to the Special Purpose Financial Statements for the year ended 31 March 2025**

(All amounts are in INR unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Note- 22</b>		
<b>Finance costs</b>		
Interest on lease liabilities	4,48,58,557	1,29,67,722
	<b>4,48,58,557</b>	<b>1,29,67,722</b>
<b>Note- 23</b>		
<b>Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment	3,55,45,737	63,40,368
Amortisation of intangible assets	40,003	3,404
Amortization of Right-of-use assets	(refer note 25) 10,84,83,423	2,91,82,573
	<b>14,40,69,163</b>	<b>3,55,26,345</b>
<b>Note-24</b>		
<b>Other expenses</b>		
Marketing and promotion expenses	6,63,95,495	2,64,03,473
Consumption of store and spares	49,63,679	30,48,274
Information technology support expenses	1,79,932	-
Office maintenance and security	30,77,625	5,64,178
Legal and professional fees	64,15,239	1,65,48,274
Postage and courier expenses	2,01,74,525	9,13,249
Contractual labour	11,77,449	-
Rent & CAM charges	3,88,551	1,39,81,834
Travel and conveyance	1,60,05,854	1,33,79,305
Auditor Remuneration	27,52,662	1,54,630
Communication	37,37,601	11,04,957
Electricity and water	1,12,28,852	7,75,783
Bank Charges	12,40,274	1,25,913
Repair and maintenance - others	7,32,003	19,82,603
Insurance	1,27,72,648	28,71,068
Staff recruitment and training	23,87,803	16,63,550
Payment and collection charges	60,08,494	7,81,866
Rates and taxes	1,18,39,899	93,89,461
Printing and stationary	11,72,310	10,285
Warranty Expense	50,62,436	3,52,790
Management charges*	10,79,14,244	8,64,626
Commission & incentive expense	5,71,128	-
Miscellaneous	13,388	-
	<b>28,62,12,091</b>	<b>9,49,16,119</b>

\*Refer note 26 for Related party

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**Lenskart Arabia Limited****Notes to the Special Purpose Financial Statements for the year ended 31 March 2025***(All amounts are in INR unless otherwise stated)***Note- 25****Financial instruments and fair value measurements****A. Accounting classifications and fair values**

The Company's assets and liabilities which are measured at amortised cost for which fair value are disclosed at March 31, 2025.

**(i) Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs which are not based on observable market data.

**(ii) Financial instruments by category**

Particulars	Classification	As at March 31, 2025	As at March 31, 2024
<b>Financial assets</b>			
Cash and cash equivalents*	Amortised cost	4,07,53,715	1,46,05,224
Other non-current assets	Amortised cost	1,37,33,448	
<b>Total financial assets</b>		<b>5,44,87,163</b>	<b>1,46,05,224</b>
<b>Financial liabilities</b>			
Trade payables#	Amortised cost	57,27,66,134	22,54,91,235
Borrowings#	Amortised cost	82,894	-
Lease liabilities	Amortised cost	44,23,69,790	-
Other financial liabilities#	Amortised cost	1,16,23,250	-
<b>Total financial liabilities</b>		<b>1,02,68,42,069</b>	<b>22,54,91,235</b>

\* The Company has not disclosed the fair values for financial instruments carried at amortised cost such as cash and bank balances because their carrying amounts are a reasonable approximation of fair value.

# The Company has not disclosed the fair value for financial instruments carried at amortised cost such as trade payables, borrowings and other financial liabilities, because their carrying amounts are a reasonable approximation of fair value.



**Lenskart Arabia Limited**

**Notes to the Special Purpose Financial Statements for the year ended 31 March 2025**

(All amounts are in INR unless otherwise stated)

**Note- 26**

**Related party disclosures**

**i. Ultimate Holding Company**

Lenskart Solutions Private Limited

**ii. Holding Company**

Lenskart Solutions Pte. Ltd.

**iii. Key management personnel**

Aina Garg- Director

Amit Chaudhary- Director

**iv. Fellow subsidiary company**

Lenskart Optical Trading LLC

Lenskart Optical Lenses Cutting LLC

**v. Transactions with related parties during the year**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Lenskart Solutions Pte. Ltd.</b>		
Reimbursement of expenses	51,86,684	14,16,460
Management Fees	4,10,64,753	
Equity Contribution by Lenskart Solutions Private Limited	36,33,09,528	
<b>Lenskart Optical Trading LLC</b>		
Reimbursement of expenses	2,88,25,570	26,45,760
Management Fees	6,68,49,497	
<b>Lenskart Optical Lenses Cutting LLC</b>		
Reimbursement of expenses	27,88,888	
Purchase of goods	5,66,27,402	
<b>Lenskart Solutions Private Ltd.</b>		
Purchase of goods	6,09,49,737	2,10,00,602
Purchase of Property, plant and equipment	1,55,02,188	2,91,38,101
Purchase of Consumables		86,285

**vi. Outstanding balances as at the year end**

Particulars	For the year ended March 31, 2025	As at March 31, 2024
<b>Lenskart Solutions Pte. Ltd.</b>		
Trade payable	9,53,52,562	4,73,21,391
<b>Lenskart Optical Trading LLC</b>		
Trade payable	16,62,97,641	6,70,04,579
<b>Lenskart Solutions Private Ltd.</b>		
Trade payable	5,13,50,323	5,02,24,989
<b>Lenskart Optical Lenses Cutting LLC</b>		
Trade payable	6,00,96,422	



**Lenskart Arabia Limited**

**Notes to the Special Purpose Financial Statements for the year ended 31 March 2025**

*(All amounts are in INR unless otherwise stated)*

**Note- 27**

**Financial risk management**

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 risks or the manner in which it manages and measures the risks.

**(A) 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 minimises 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. The management has assessed that the amount of ECL allowance on bank balances and other receivables were immaterial.

**(B) 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.

**(C) Market risk**

As at reporting date, as the Company's transactions are primarily denominated in SAR, 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.

*(iii) Price risk*

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

As per our report of even date attached

For J. C. Bhalla & Co.  
Chartered Accountants  
Firm Registration No.: 001111N

For and on behalf of the Board of Directors of  
Lenskart Arabia Limited

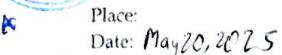
Akhil Bhalla  
Partner  
Membership No. : 505002



Aina Garg  
Director

  
Amit Chaudhary  
Director  
DIN: 08908841

Place: Noida  
Date: May 20, 2025

  
Place: May 20, 2025

  
Place: May 20, 2025

