

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, 2024, and the special purpose Statement of Profit and Loss and special purpose Cash Flow Statement for the financial period from March 22, 2023 to March 31, 2024, and a summary of the significant 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 Solution Pte Limited ("the parent Company") and Lenskart Solution Private Limited ("the ultimate parent Company") for the year ended March 31, 2024.

Management's Responsibility

The Management of the Company 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 maintenance of adequate accounting records in accordance with the accounting principles for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation of the Special Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

Our responsibility is to express an opinion on these Special Purpose Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's
HEAD OFFICE : B-17, Maharani Bagh, New Delhi - 110065

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Special Purpose Financial Statements.

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 Special Purpose Financial Statements.

Restriction on distribution or use

The accompanying Special Purpose Financial Statements and this report have been prepared solely for the purpose stated in paragraph 1 of this report, and therefore, may not be suitable for any other purpose. This should not be used, referred to or distributed for any other purpose without our prior written consent.

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



(Akhil Bhalla)
Partner
Membership No. 505002
UDIN: 24505002BKBYFP9477



Place: Noida
Date: June 27, 2024

Lenskart Arabia Limited
Balance Sheet as at 31 March 2024
(All amounts in INR unless otherwise stated)

Particulars	Note	As at 31 Mar 2024
Assets		
Non-current assets		
Property, plant and equipment	2	95,321,935
Other intangible assets	3	153,197
Right-to-use asset	4	296,909,636
Financial assets		
Other financial assets	5	10,277,732
Total non-current assets		402,662,500
Current assets		
Inventories	6	23,482,760
Financial assets		
Cash and cash equivalents	7	14,605,224
Other current assets	8	24,299,665
Total current assets		62,387,649
Total assets		465,050,149
Equity and liabilities		
Equity		
Equity share capital	9	124,034,981
Other equity	10	(168,974,328)
Total equity		(44,939,347)
Non-current liabilities		
Financial liabilities		
Lease Liabilities	11	226,930,516
Long-term Provisions	12	1,073,991
Total non-current liabilities		228,004,507
Current liabilities		
Financial liabilities		
Trade payables		
a) Total outstanding dues of Micro and Small Enterprises	13	227,490,933
b) Total outstanding dues other than dues of Micro and Small Enterprises		
Lease Liabilities	14	51,698,614
Other financial liabilities	15	1,530,882
Short-term Provision	16	354,786
Other current liabilities	17	909,774
Total current liabilities		281,984,989
Total liabilities		509,989,496
Total equity and liabilities		465,050,149

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.:001111N

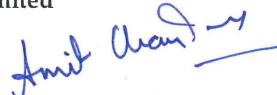


Akhil Bhalla
Partner
Membership No. : 505002

Place : Noida
Date: June 27, 2024



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



Amit Chaudhary
Director
DIN:08908841



Place : Noida
Date: June 27, 2024

Place : Noida
Date: June 27, 2024

Lenskart Arabia Limited

Statement of Profit and Loss from March 22, 2023 (date of incorporation) to March 31, 2024

(All amounts in INR unless otherwise stated)

Particulars	Note	22 March 2023 to 31 March 2024
Income		
Revenue from operations	18	23,519,345
Other income	19	441,503
Total income		23,960,848
Expenses		
Purchases of Stock in trade	20	35,767,549
Changes in inventory of traded goods	21	(23,350,034)
Employee benefits expense	22	36,337,437
Finance costs	23	12,967,722
Depreciation and amortization expense	24	35,526,345
Other expenses	25	94,916,119
Total expenses		192,165,138
Profit for the year (A)		(168,204,290)
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations		(770,038)
Other comprehensive income for the year (B)		(770,038)
Total comprehensive income for the year (A+B)		(168,974,328)

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.:001111IN


Akhil Bhalla
Partner
Membership No. : 505002

Place : Noida
Date: June 27, 2024

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


Aina Garg
Director

Place : Noida
Date: June 27, 2024



Amit Chaudhary
Director
DIN:08908841

Place : Noida
Date: June 27, 2024



Lenskart Arabia Limited

Statement of changes in equity from 22 March, 2023 to March 31, 2024

(All amounts in INR unless otherwise stated)

A Equity share capital

Particulars	No. of shares	Amount
Balance at 22 March 2023 (date of incorporation)	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

B Other equity

Particulars	Attributable to owners of the Group		
	Reserves and surplus	Other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at 22 March 2023	-	-	-
- Profit/ (Loss) for the year	(16,82,04,290)	-	(16,82,04,290)
- Other comprehensive income (net of tax)	-	(7,70,038)	(7,70,038)
Balance as at 31 March 2024	(16,82,04,290)	(7,70,038)	(16,89,74,328)

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.:001111N

Akhil Bhalla
Partner
Membership No. : 505002



Place : Noida
Date: June 27, 2024

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

Aina Garg
Director

Place : Noida
Date: June 27, 2024

Amit Chaudhary

Amit Chaudhary
Director
DIN:08908841

Place : Noida
Date: June 27, 2024



Lenskart Arabia Limited

Statement of Cash Flows from March 22, 2023 (date of incorporation) to March 31, 2024

(All amounts in INR unless otherwise stated)

Particulars	22 March 2023 to 31 March 2024
A Cash flow from operating activities	
Profit before tax	(168,204,290)
Adjustments for:	
Interest Income	(441,503)
Depreciation and amortization expense	35,526,345
Finance costs	12,967,722
Provision for warranty	354,786
Operating profit before working capital adjustments	(119,796,940)
Working capital adjustments:	
Increase in inventories	(23,482,760)
Increase in other financial assets	(10,719,235)
Increase in other assets	(24,299,665)
Increase in other financial liabilities	1,534,140
Increase in other liabilities	909,774
Increase in trade payables	227,490,933
Increase in provisions	1,073,991
Net cash used in operating activities (A)	52,710,238
B Cash flows from investing activities	
Acquisition of property, plant and equipment	(101,123,537)
Acquisition of intangible assets	(155,735)
Net cash (used in)/flow from investing activities (B)	(101,279,272)
C Cash flows from financing activities	
Proceeds from issue of share capital	124,034,981
Payment of principal portion of lease liabilities	(47,122,963)
Payment of interest portion of lease liabilities	(12,967,722)
Net cash flow from financing activities (C)	63,944,296
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	15,375,262
Net movement in Foreign currency translation reserve	(770,038)
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	14,605,224
Cash and cash equivalents comprises of :	
Cash on hand	344,577
Balances with scheduled bank in current accounts	14,260,647
	14,605,224

The accompanying notes form an integral part of these 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



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



Amit Chaudhary

Director

DIN:08908841



Place : Noida

Date: June 27, 2024

Place : Noida

Date: June 27, 2024

✓ Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31 March 2024

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 significant 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, 2024.

1B. Basis of measurement

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

Items

Financial assets and liabilities like certain investments
Other financial assets and liabilities

Measurement basis

Fair value
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.



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 2024 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:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) 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:

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



Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31 March 2024

- 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



Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31 March 2024

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

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 Capital work-in-progress

The cost of property, plant and equipment not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general and can be allocated to specific property, plant and equipment are included in capital work-in-progress.

1.3 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



Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31 March 2024

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.

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;



Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31 March 2024

- 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
- 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



Lenskart Arabia Limited

Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31 March 2024

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 retains 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, 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:



Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31 March 2024

- 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.

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.

1.4 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.

1.5 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.

1.6 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.

1.7 Foreign currency

Foreign currency transactions



Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31 March 2024

Functional currency of the company is Saudi riyal (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 Financial Statements from 22 March, 2023 (date of incorporation) to 31 March, 2024

(All amounts are in INR unless otherwise stated)

2 Property, plant and equipment

Particulars	Leasehold improvements	Furniture and fixtures	Office equipment	Computers and peripherals	Electrical fittings	Total
Gross Block						
At 22 March 2023						
Additions during the year	57,498,017	28,859,834	1,431,991	10,268,182	3,065,513	101,123,537
Disposals						
Exchange translation difference	326,830	164,045	8,140	58,366	17,425	574,806
At 31 March 2024	57,824,847	29,023,879	1,440,131	10,326,548	3,082,938	101,698,343
Accumulated depreciation						
At 22 March 2023						
Depreciation charge for the year	3,915,296	1,306,431	54,990	919,725	143,926	6,340,368
Disposals						
Exchange translation difference	22,255	7,426	313	5,228	818	36,040
At 31 March 2024	3,937,551	1,313,857	55,303	924,953	144,744	6,376,408
Net carrying amounts						
At 31 March 2024	53,887,296	27,710,022	1,384,828	9,401,595	2,938,194	95,321,935



Lenskart Arabia Limited**Notes to the Financial Statements from 22 March, 2023 (date of incorporation) to 31 March, 2024***(All amounts are in INR unless otherwise stated)***3 Intangible assets**

Particulars	Softwares	Total
Cost		
At 22 March 2023		
Additions during the year	155,735	155,735
Exchange translation difference	885	885
As at 31 March 2024	156,620	156,620
Accumulated amortisation		
At 22 March 2023		
Amortisation for the year	3,404	3,404
Exchange translation difference	19	19
As at 31 March 2024	3,423	3,423
Net carrying amounts		
As at 31 March 2024	153,197	153,197



Lenskart Arabia Limited**Notes to the Financial Statements from 22 March, 2023 (date of incorporation) to 31 March, 2024***(All amounts are in INR unless otherwise stated)***Note- 4****Leases**

The Company has lease contracts for various items Buildings used in its operation. Lease of building generally have lease term for 3 years. The Company's obligation under its leases are secured by the lessor's title to the leased asset.

The changes in the carrying value of ROU assets for the year ended 31 March 2024 are as follows:

Particulars	As at 31 March 2024
Opening balance	-
Additions	323,856,594
Exchange Difference	1,678,156
Depreciation	(28,625,114)
Closing balance	296,909,636

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 2024 are as follows:

Particulars	As at 31 March 2024
Opening balance	-
Additions during the year	323,856,594
Finance cost accrued during the period	12,967,722
Exchange Difference	1,574,833
Payment of lease liabilities	(59,770,019)
Closing balance	278,629,130
Of which	
Current lease liabilities	51,698,614
Non- Current lease liabilities	226,930,516

The effective interest rate for lease liabilities is 10%.

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

Particulars	For the year ended 31 March 2024
Depreciation expense on right of use assets	28,625,114
Interest expense on lease liabilities	12,967,722
	41,592,836

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



Lenskart Arabia Limited

Notes to the Financial Statements from 22 March, 2023 (date of incorporation) to 31 March, 2024

(All amounts are in INR unless otherwise stated)

Particulars	As at 31 March 2024
Note-5	
Other non- current financial assets	
Security Deposits	10,277,732
	10,277,732
Note-6	
Inventories	
Traded goods	23,482,760
(Net of provision amounting to Rs.12,08,827)	
	23,482,760
Note-7	
Cash and cash equivalents	
Cash on hand	344,577
Balances with scheduled bank	14,260,647
	14,605,224
Note-8	
Other current assets	
Prepaid expenses	4,019,957
Balance with government authorities	17,301,832
Other receivables	531,519
Imprest to Staff	2,446,357
	24,299,665
Note-9	
Equity share capital	
Equity share capital (55,91,611 Equity Shares @Rs. 22.18233 each)	124,034,981
	124,034,981
Note-10	
Other equity	
Retained earnings	
Opening balance	-
Add: Loss for the year	(168,204,290)
Balance at the end of the year	(168,204,290)
Foreign currency translation reserve	
Opening balance	-
Add: Movement during the year (refer note "ii" below)	(770,038)
Balance at the end of the year	(770,038)
Total	(168,974,328)

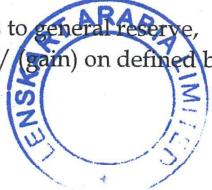
Nature and purpose of reserves

(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.



Lenskart Arabia Limited

Notes to the Financial Statements from 22 March, 2023 (date of incorporation) to 31 March, 2024

(All amounts are in INR unless otherwise stated)

Particulars	As at 31 March 2024
Note-11	
Non-Current Liabilities	
ROU Lease liabilities - Non-current	226,930,516
	226,930,516
Note-12	
Non-Current Provisions	
Provision For Gratuity	1,073,991
	1,073,991
Note-13	
Trade payables	
Payable to related parties*	164,550,958
Payable to unrelated parties	62,939,975
	227,490,933

*Refer Note 27 for Related Party Disclosures

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	52,645,569	174,845,364	-	-	-	227,490,933

Particulars	As at 31 March 2024
Note-14	
Current Liabilities	
ROU Lease liabilities - Current	51,698,614
	51,698,614
Note-15	
Other financial liabilities	
Employee benefits payable	1,530,882
	1,530,882
Note-16	
Current Provisions	
Provision for Warranty	354,786
	354,786
Note-17	
Other current liabilities	
Statutory dues payable	909,774
	909,774



Lenskart Arabia Limited

Notes to the Financial Statements from 22 March, 2023 (date of incorporation) to 31 March, 2024

(All amounts are in INR unless otherwise stated)

Particulars	For the year ended 31 March 2024
Note- 18	
Revenue from operations	
Sale of goods	23,519,345
	23,519,345
Note- 19	
Other income	
Interest income on financial assets carried at amortised cost	441,503
	441,503
Note- 20	
Purchase of stock in trade	
Purchase of traded goods	35,767,549
	35,767,549
Note- 21	
Changes in inventory of traded goods	
Opening Balance	-
Closing Balance	
Traded goods (including goods in transit)	23,482,760
Foreign Exchange Translation Adjustment	(132,726)
	(23,350,034)
Note- 22	
Employee benefits expense	
Salaries, wages and bonus	31,935,173
Gratuity	1,067,921
Staff welfare	3,334,343
	36,337,437
Note- 23	
Finance costs	
Interest on lease liabilities	12,967,722
	12,967,722



Lenskart Arabia Limited

Notes to the Financial Statements from 22 March, 2023 (date of incorporation) to 31 March, 2024

(All amounts are in INR unless otherwise stated)

Note- 24

Depreciation and amortization expense

Depreciation of property, plant and equipment	6,340,368
Amortisation of intangible assets	3,404
Depreciation of Right-of-use assets	29,182,573
	35,526,345

Note-25

Other expenses

Marketing and promotion expenses	26,403,473
Consumption of store and spares	3,048,274
Office maintenance and security	564,178
Legal and professional fees	16,548,274
Postage and courier expenses	913,249
Rent	13,981,834
Travel and conveyance	13,379,305
Auditor Remuneration	154,630
Communication	1,104,957
Electricity and water	775,783
Bank Charges	125,913
Repair and maintenance - others	1,982,603
Insurance	2,871,068
Staff recruitment and training	1,663,550
Payment and collection charges	781,866
Rates and taxes	9,389,461
Printing and stationary	10,285
Warranty Expense	352,790
Management charges	864,626
	94,916,119



Lenskart Arabia Limited

Notes to the Financial Statements from 22 March, 2023 (date of incorporation) to 31 March, 2024
(All amounts are in INR unless otherwise stated)

Note- 26

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, 2024.

(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, 2024
Financial assets		
Cash and cash equivalents*	Amortised cost	14,605,224
Total financial assets		14,605,224
 Financial liabilities		
Trade payables#	Amortised cost	227,490,933
Total financial liabilities		227,490,933

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



Lenskart Arabia Limited

Notes to the Financial Statements from 22 March, 2023 (date of incorporation) to 31 March, 2024
 (All amounts are in INR unless otherwise stated)

Note- 27**Related party disclosures****ii. Holding Company**

Lenskart Solutions Pte Limited

ii. Ultimate Holding Company

Lenskart Solutions Private Limited

iv. Key management personnel

Aina Garg- Director

Amit Chaudhary- Director

v. Transactions with related parties during the year

Particulars	For the year ended March 31, 2024
Lenskart Solutions Pte. Ltd.	
Reimbursement of expenses	1,416,460
Lenskart Optical Trading LLC	
Reimbursement of expenses	2,645,740
Lenskart Solutions Private Ltd.	
Purchase of goods	21,000,602
Purchase of Property, Plant and Equipment	29,138,101
Purchase of Consumables	86,285

vi. Outstanding balances as at the year end

Particulars	As at March 31, 2024
Lenskart Solutions Pte. Ltd.	
Trade payable	47,321,391
Lenskart Optical Trading LLC	
Trade payable	67,004,579
Lenskart Solutions Private Ltd.	
Trade payable	50,224,989



Lenskart Arabia Limited**Notes to the Financial Statements from 22 March, 2023 (date of incorporation) to 31 March, 2024**

(All amounts are in INR unless otherwise stated)

Note- 28**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 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.

(iii) Price risk

The company is not exposed to price risk as there is no investments as on March 31, 2024.

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



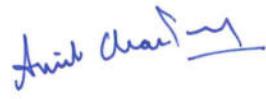
Place : Noida
Date: June 27, 2024

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



Aina Garg
Director

Place : Noida
Date: June 27, 2024



Amit Chaudhary
Director
DIN:08908841

Place : Noida
Date: June 27, 2024

