

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

To
The Board of Directors / Management
OWNDAYS INC

Opinion

We have audited the accompanying Special Purpose Standalone Financial Statements of OWNDAYS INC ("the Company") which comprise the Special Purpose Standalone Balance Sheet as at March 31, 2024, and the Special Purpose Standalone Statement of Profit and Loss, including other comprehensive income, Special Purpose Cash Flow Statement and the Special Purpose Statement of Changes in Equity for the year then ended, and notes to the special purpose standalone financial statements, including a summary of material accounting policies and other explanatory information (together herein referred to as "Financial Statements" or "Special Purpose Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements are in compliance with the basis of preparation explained in note 2 of the Financial Statement.

These Special Purpose Financial Statements have been prepared solely for the limited purpose of facilitating the upload of these Financial Statements on the website of the Ultimate Holding Company - Lenskart Solutions Limited in connection with the Initial Public Offering ("IPO") in India.

Basis for Opinion

We conducted our audit of these Financial Statements in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountant of India (ICAI). We are independent of the Group 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. 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 audit opinion on the financial statements.

Emphasis of Matter (EOM)

1. We draw attention to Note 25 to the financial statements, which states that the comparative financial information for the previous year / period has not been presented in these Financial Statements as they have been prepared for a special purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors / Management is responsible for preparation of these financial statements in accordance with basis of preparation mentioned in note 2 to the Financial Statements.

This responsibility also includes maintenance of adequate accounting records in accordance with the accounting principles for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the these Financial Statements, the Board of Directors / Management of the Company is responsible for assessing the ability of the company 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.

Those Board of Directors / Management are also responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our responsibility is to express an opinion on these Special Purposes Financial Statements based on our audit. We conducted our audit in accordance with the Standard on Auditing issued by Institute of Chartered Accountant of India (ICAI). Those standards require that we comply with the 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 evidence about the amount and disclosures in the Financial Statements. The procedures selected depends on the auditor's judgement, including assessment of risk of material misstatement of the financial statements, whether due to fraud and 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 Management, as well as evaluating the overall presentation of the financial statements.

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

Other matters - restriction of use

These Special Purpose Standalone Financial Statements have been prepared solely for the limited purpose of facilitating the upload of these Financial Statements on the website of the Ultimate Holding Company - Lenskart Solutions Limited in connection with the Initial Public Offering ("IPO") in India and as mentioned in the para 1 above. Accordingly, this report should not be used, referred to or distributed for any other purpose.

For **ADMS & CO.**

Chartered Accountants

ICAI Firm Registration Number: 014626C



per Varun Gaur

Partner

Membership Number: 514879

UDIN: 25514879BMOANG3030



Place: Delhi

Date: July 18, 2025

OWNDAYS INC
Company Registration No. T14UF1763E
Special Purpose Standalone Balance Sheet as at March 31, 2024
(All amounts in INR million unless otherwise stated)

Particulars	Note	As at March 31, 2024
Assets		
Non-current assets		
(a) Financial assets		
(i) Investments	3	334.86
Total non-current assets		334.86
Current assets		
(a) Financial assets		
(i) Loans	4	4,564.98
(ii) Cash and cash equivalents	5	41.73
(iii) Other financial assets	6	0.84
(b) Other current assets	7	28.51
Total current assets		4,636.06
Total assets		4,970.92
EQUITY AND LIABILITIES		
EQUITY		
(a) Ordinary share capital	8	59.35
(b) Other equity	9	2,879.94
Total equity		2,939.29
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	10	910.92
Total non-current liabilities		910.92
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	10	1,118.03
(ii) Trade payables	11	-
- total outstanding dues of micro enterprises and small enterprises		-
- total outstanding dues other than dues of micro enterprises and small enterprises		1.77
(b) Other current liabilities	12	0.39
(c) Current tax liabilities	12 (a)	0.52
Total current liabilities		1,120.71
Total liabilities		2,031.63
Total equity and liabilities		4,970.92

Summary of material accounting policies

2

The accompanying notes form an integral part of these Special Purpose Standalone financial statements

As per our report of even date

ADMS & CO.

Chartered Accountants

ICAI Firm Registration No.0014626C

per Varun Gaur

Partner

Membership No. 514879

Place: Delhi

Date: July 18, 2025

For and on behalf of the Board of Directors of
OWNDAYS INC

Takeshi Umiyama

Director

Date: July 18, 2025

OWNDAYS INC

Company Registration No. T14UF1763E

Special Purpose standalone statement of profit and loss for the year end March 31, 2024

(All amounts in INR million unless otherwise stated)

Particulars	Note	Year ended March 31, 2024
1) Income		
(a) Other income	13	1,163.83
Total income (a+b)		1,163.83
2) Expenses		
(a) Employee benefits expense	14	4.94
(b) Finance costs	15	20.18
(c) Other expenses	16	3.40
Total expenses		28.52
3) Profit before tax (1-2)		1,135.31
4) Tax expense		
(a) Current tax		0.54
Total tax expense		0.54
5) Profit for the Year (3-4)		1,134.77
6) Other comprehensive loss		
Items that will not be reclassified subsequently to profit or loss in subsequent periods		-
Re-measurement gains/ (losses) on exchange differences on translation of foreign operations		(227.92)
Other comprehensive loss for the year (a+b)		(227.92)
Total comprehensive income for the year		906.85
Earnings per share		
Basic/Diluted Earnings per share (Rs.)	17	1,069.24
Summary of material accounting policies	2	

The accompanying notes form an integral part of these Special Purpose standalone Financial Statements

As per our report of even date

ADMS & CO.

Chartered Accountants

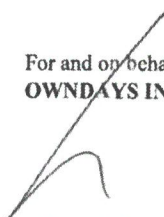
ICAI Firm Registration No.0014626C



per Varun Gaur

Partner

Membership No. 514879

For and on behalf of the Board of Directors of
OWNDAYS INC

Takeshi Umiyama

Director

Date: July 18, 2025

Place: Delhi

Date: July 18, 2025

OWNDAYS INC

Company Registration No. T14UF1763E

Special Purpose Standalone Statement of Cash Flows for the year ended March 31, 2024

(All amounts in INR million unless otherwise stated)

Particulars	Year ended March 31, 2024
A Cash flows from operating activities	
Profit before tax	1,135.31
Adjustments for:	
Interest income on loan to subsidiary	(18.33)
Interest in borrowing	20.18
Operating profit before working capital changes	1,137.16
Working capital adjustments:	
(Increase) in other financial assets	(0.84)
Decrease / (Increase) in other assets	(16.30)
(Decrease) / Increase in other current liabilities	(0.32)
(Decrease) / Increase in trade payables	0.89
Cash used in operating activities	(16.57)
Income tax paid (net)	0.43
Net cash flow from / (used in) operating activities (A)	1,121.02
B Cash flows from investing activities	
Interest income on loan	18.33
Loan given / repayment received	(692.18)
Net cash flow from / (used in) investing activities (B)	(673.85)
C Cash flow from financing activities	
Proceeds/repayment of borrowings	(192.46)
Interest paid on borrowings	(20.18)
Net cash (used in) / flow from financing activities (C)	(212.64)
Net increase in cash and cash equivalents (A+B+C)	234.53
Cash and cash equivalents at the beginning of the year	35.12
Foreign currency translation	(227.92)
Cash and cash equivalents at the end of the year	41.73
Cash and cash equivalents comprises of :	
Cash on hand	-
Balances with bank in current accounts	41.73
	41.73

Summary of material accounting policies (refer note 2)

The accompanying notes form an integral part of these Special Purpose standalone Financial Statements

As per our report of even date

ADMS & CO.

Chartered Accountants

ICAI Firm Registration No.0014626C

per Varun Gaur

Partner

Membership No. 514879

For and on behalf of the Board of Directors of
OWNDAYS INC

Takeshi Umiyama

Director

Date: July 18, 2025

Place: Delhi

Date: July 18, 2025

OWNDAYS INC

Company Registration No. T14UF1763E

Special Purpose Standalone Statement of changes in equity for the year ended March 31, 2024

(All amounts in INR million unless otherwise stated)

A Equity share capital

Particulars	No.	Amount
Balance as at 01 April 2023	10,61,269.00	59.35
Add:- Issued during the year		
Balance as at 31 March 2024	10,61,269.00	59.35

B Other equity

Particulars	Other Equity		Total
	Retained earnings	Foreign Currency Translation Reserves	
Balance as at 01 April 2023	1,930.30	42.79	1,973.09
-Profit for the year	1,134.77	-	1,134.77
-Other comprehensive loss (net of tax)	-	(227.92)	(227.92)
Balance as at 31 March 2024	3,065.07	(185.13)	2,879.94

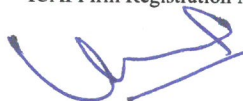
Summary of material accounting policies - refer Note 2

The accompanying notes form an integral part of these Special Purpose Standalone Financial Statements

ADMS & CO.

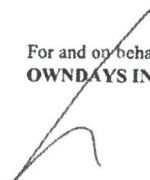
Chartered Accountants

ICAI Firm Registration No.0014626C

**Varun Gaur**

Partner

Membership No. 514879

For and on behalf of the Board of Directors of
OWNDAYS INC**Takeshi Umiyama**

Director

Date: July 18, 2025

Place: Delhi

Date: July 18, 2025

OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

1. Corporate information

OWNDAYS INC ('the Company') was registered under the Registration No-T14UF1763E. The Registered office of the Company is 3F Gojinsha Naha Matsuyama Bldg.,2-1-12 Matsuyama, Naha city, Okinawa 900-0032 Japan. The Company is engaged in the business of Manufacturing and sale of glasses, contact lenses.

2. Material accounting policies

Basis of preparation of these Special Purpose Financial Statements

The company's management has prepared these Special purpose standalone financial Statements comprise the Special Purpose Standalone Balance sheet as at March 31, 2024, the Special Purpose Standalone Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Special Purpose Cash Flow Statement and the Special Purpose Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (together herein referred to as "Special Purpose Standalone Financial Statements" or "Financial Statements" or "Standalone Financial Statements").

These Special Purpose Standalone Financial Statements have been prepared to comply in all material aspects with the accounting policies attached as a part of these Financial Statements and has been presented as per the requirements of Division II of Schedule III to the Companies Act, 2013. Further, these Special Purpose Standalone Financial Statements do not include all the information and disclosures normally included in annual financial statements. Only those disclosures as considered appropriate by the Management have been made in these Standalone Financial Statements.

These Special Purpose Standalone Financial Statements have been prepared solely for the limited purpose of facilitating the upload of financial information on the website of the Ultimate Holding Company "Lenskart Solutions Limited (formerly known as Lenskart Solutions Private Limited)" in connection with the proposed Initial Public Offering ("IPO") in India. The Company has followed the accompanied accounting policies for the purpose of preparing these financial statements.

2A. Functional and presentation currency.

Items included in these Standalone Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') i.e. Japanese Yen (JPY) and have been converted into to Indian rupee (INR) as per IND-AS 21 – "The Effects of Changes in Foreign Exchange Rates". Hence, these Standalone Financial Statements are presented in Indian rupee (INR) which is the Ultimate Holding Company presentation currency.

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest millions (as per the requirement of Schedule III), unless otherwise stated.

2B. Basis of measurement



OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

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

Items	Measurement basis
Financial assets and liabilities like certain investments	Fair value
Liabilities for share-based payment arrangements	Fair Value
Other financial assets and liabilities	Amortised cost

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern and climate related matters have been duly considered in going concern assessment.

2C. 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.

A. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Determining the lease term of the contract with renewal and termination option - Company as a lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Leases - Estimating the incremental borrowing rate:

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

Operating lease commitments – Company as a lessor



OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

i) Provision for employee benefits

The measurement of obligations and assets related to defined benefit / other long term benefits plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal, mortality rates etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.

ii) Recognition of deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is an evidence that future taxable profit may not be available.

iii) Provision for warranties

The Company offers one year warranty on Eyeglass and Sunglass. 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.

iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v) Impairment of non-financial assets



OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

2D. 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.

2E. 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:



OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

- 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,
- 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.1 Inventories

Inventories which comprise of finished goods, traded goods, raw material, consumables, tools and stores and spares 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:

Particulars	Basis of Valuation
Raw Material	FIFO Basis except for certain raw materials including prescription lenses and frames which are carried at actual cost.
Consumables, tools and stores and spares	Weighted average cost
Traded goods	FIFO Basis
Work in progress	FIFO Basis

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.



OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on item by item basis.

2.2 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.

Trade receivables are initially recognised at transaction value. 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.

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



OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

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
- 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



OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

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.

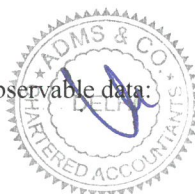
(iv) Offsetting

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:



OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

- 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.

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.

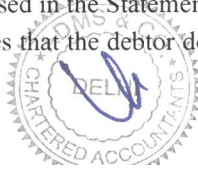
The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates and delays in realisations over the expected life of the trade receivable and is adjusted for forward looking estimates. 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



OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

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 (PPE 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.

2.3 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, demand deposits with 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.

2.4 Provisions (other than employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the legal or contractual obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.5 Revenue recognition



OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

- a) Revenue from the sale of product is recognized upfront at the point in time when the product is delivered to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
- b) Revenue from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred and the balance amount is recognised as deferred revenue.
- c) Revenue from membership fees is recognised over the period of membership.
- d) Interest Income is recognized using the effective interest method.
- e) Rental income from sub-leasing is recognised in profit or loss on a straight line basis over the term of lease and included under other income.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional and where such payment is conditional upon future activities of the company.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in financial instrument – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.6 Government grants



OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

2.7 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.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset)



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Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

iv. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

v. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.8 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the functional 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 foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

2.9 Leases



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Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

The company assesses at contract inception whether a contract is, or contains a, lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use asset

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liabilities

At the commencement date of the lease, the company recognizes lease liabilities measured at the present value of the lease payment to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

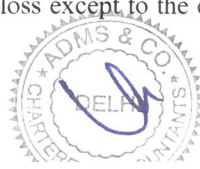
In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset

iii) Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.10 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.



OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction; and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is an evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.11 Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs).



OWNDAYS INC

Summary of material accounting policies for the year ended 31 March 2024

(All amounts in INR Million, unless otherwise stated)

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

2.12 Earnings per share

Basic earnings/(loss) per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless they have been issued at a later date.

2.13 Segment reporting

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available. The Company is engaged in the whole sale trade and distribution of branded and private labelled Eyeglasses, Sunglasses, Contact lenses, accessories products and manufacturing and sale of optical and ophthalmic lenses used in spectacles, which has been defined as one business segment. Accordingly, the Company's activities/business are reviewed regularly by the Company's Board of Director's from an overall business perspective, rather than reviewing its products/services as individual standalone components.



OWNDAYS INC

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Notes to the Standalone Special Purpose standalone financial statements for the year ended March 31, 2024

(All amounts in INR million unless otherwise stated)

3 Investments

Particulars	As at 31 March, 2024
Investment in subsidiary equity shares-Unquoted	
6,05,000 equity shares of Owndays Singapore Pte Ltd of SG\$ 1.5 each fully paid-up	202.78
54,140 equity shares of Owndays Co., Ltd. of Yen 554.12 each fully paid-up	132.08
Total	334.86

4 Loans

Particulars	As at 31 March, 2024
Loans - Current (Unsecured, considered good)	
Loan to related party* (refer note 23)	4,564.98
	4,564.98

Note:

- (i) * Outstanding unsecured loans to OWNDAYS Co., Ltd. amounting to Rs 4564.99 millions have been given for business expansion and for working capital requirements. The loans carries an interests of 0.50% and are repayable within one year from the disbursement of loan.

5 Cash and cash equivalents

Particulars	As at 31 March, 2024
Balances with bank	
-in current accounts	41.73
	41.73

6 Other current financial assets

Particulars	As at 31 March, 2024
Other receivables	0.84
	0.84

7 Other current assets

Particulars	As at 31 March, 2024
Interest receivable on loan to related party (refer note 23)	28.51
	28.51

9 Other equity

Particulars	As at 31 March, 2024
A. Retained earnings	3,065.07
B. Other Comprehensive Income (OCI)	(185.13)
Total	2,879.94
Retained earnings	
Opening balance	1,930.30
Add: Profit for the year	1,134.77
Balance at the end of the year	3,065.07
Other Comprehensive income	
Opening balance	42.79
Other Comprehensive income for the year	(227.92)
Balance at the end of the year	(185.13)
	2,879.94



OWNDAYS INC

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Notes to the Standalone Special Purpose standalone financial statements for the year ended March 31, 2024

(All amounts in INR million unless otherwise stated)

Note:**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.

Foreign currency translation reserve

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

10 Borrowings

		As at 31 March, 2024
Particulars		
A Non- current unsecured		
Term loan from banks		910.92
		<u>910.92</u>
Particulars		As at 31 March, 2024
B Current unsecured		
Bank overdraft		543.25
Term loan from banks		574.78
		<u>1,118.03</u>

Terms of repayment for the Owndays Inc.(entire group) year ended March 31, 2024:

a. The rate of interest for loans ranges from 0.5% to 6.875%

b. The borrowings are unsecured in nature.

Details of security of borrowings for the year ended March 31, 2024:
March 31, 2024

Particulars	Less than 1 year	1-5 year	>5 year	>5 year
Owndays Inc. (OR)	1,118.03	910.92	-	2,028.95
Total	1,118.03	910.92	-	2,028.95

11 Trade payables

Particulars	As at 31 March, 2024
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.77
	<u>1.77</u>

12 Other current liabilities

Particulars	As at 31 March, 2024
Statutory dues payable	0.39
	<u>0.39</u>

12 (a) Other current liabilities

Particulars	As at 31 March, 2024
Current tax liabilities	0.52
	<u>0.52</u>



OWNDAYS INC

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Notes to the Standalone Special Purpose standalone financial statements for the year ended March 31, 2024

(All amounts in INR million unless otherwise stated)

8 Ordinary share capital

Issued, subscribed and fully paid-up ordinary shares

1,061,269 Ordinary shares of Rs. 55.92 each

As at 31 March, 2024
Amount
59.35
59.35

a) Reconciliation of the number of ordinary shares at the beginning and at the end of the reporting year:

Particulars	As at 31 March, 2024	
	No. of shares	Amount
At the beginning of the year	10,61,269	59.35
Increase/ (Decrease) during the year	-	-
At the end of the year	10,61,269	59.35

b) Details of shares held by promoters

Particulars	As at 31 March, 2024		
	No. of shares	% holding	% change during the year
Name of promoters			
MLO KK	9,79,244	92.27%	0.00%
Shuji Tanaka	57,318	5.40%	0.00%
Takeshi Umiyama	24,707	2.33%	0.00%

c) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 March, 2024	
	No. of shares	% holding
Name of shareholders		
MLO KK	9,79,244	92.27%
Shuji Tanaka	57,318	5.40%

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OWNDAYS INC

Company Registration No. T14UF1763E

Notes to the Standalone Special Purpose standalone financial statements for the year ended March 31, 2024
(All amounts in INR million unless otherwise stated)

13 Other income	Year ended 31 March, 2024
Interest income on loan (refer note 23)	18.33
Dividend income (refer note 23)	1,145.48
Miscellaneous income	0.02
	1,163.83
14 Employee benefits expense	Year ended 31 March, 2024
Salaries, wages and bonus	4.94
	4.94
15 Finance costs	Year ended 31 March, 2024
Interest on - Long term borrowings (refer note 23)	20.18
	20.18
16 Other expenses	Year ended 31 March, 2024
Legal and professional fees	1.06
Travel and conveyance	0.03
Insurance	1.78
Payment gateway charges	0.52
Rates and taxes	0.00
Miscellaneous	0.01
	3.40

17 Earnings per share (EPS)

The calculation of basic earnings per share has been based on the following profit/loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. The following reflects the income and share data used in the basic and diluted EPS computations:

Basic & Diluted (Loss)/Profit attributable to ordinary shareholders (A)	Year ended 31 March, 2024
	1,134.76
Weighted-average number of ordinary shares for calculation Basic / Diluted EPS (B)	10,61,269
Weighted average number of Equity shares adjusted for the effect of dilution (D)	10,61,269
Basic / Diluted earnings/(loss) per share (A/B) (INR.) (not annualised)	1,069.25

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OWNDAYS INC

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Notes to the Standalone Special Purpose standalone financial statements for the year ended March 31, 2024

(All amounts in INR million unless otherwise stated)

18 Capital and other commitments:

The Company has no capital and other commitments as at March 31, 2024.

19 Contingent liabilities

The Company has no contingent liabilities as at March 31, 2024.

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OWNDAYS INC

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Notes to the Special Purpose standalone financial statements for the year ended March 31, 2024

(All amounts in INR million unless otherwise stated)

20 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 31 March 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 31 March 2024
Financial assets		
Cash and cash equivalents	Amortised cost	41.73
Loans	Amortised cost	4,564.98
Investments	Amortised cost	334.86
Other financial assets	Amortised cost	0.84
Total financial assets		4,942.41
Financial liabilities		
Borrowings	Amortised cost	2,028.95
Trade payables	Amortised cost	1.77
Total financial liabilities		2,030.72

(iii) Valuation technique used to determine fair value

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of inputs used determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

The following methods and assumptions have been used to estimate the fair values:

(A) The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

(B) In order to arrive at the fair value of unquoted investments, the Company obtains independent valuations. The techniques used by the valuer are as follows:

a) Income approach - Discounted cash flows ("DCF") method

b) Market approach - Enterprise value/Sales multiple method



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21 Financial risk management

The Company's principal financial liabilities comprise loans, borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks and appraises the Board of Directors from time to time basis the impact assessment.

(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 that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Company's internal assessment.

All doubtful receivables are duly recognized from time to time post discussion with key stakeholders and provided for in the financial statements as deemed appropriate.

All the financial assets carried at amortized cost were considered good as at 31 March 2024. The Company has not acquired any credit impaired asset. There was no modification in any financial assets.

a. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department. Investments of surplus funds are made only with reputed Funds as aligned with the Board. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

b. Security deposit and other advances

With regards to security deposit and other advances, the management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and other advances have been made have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets.

c. Trade receivables (Expected credit loss for trade receivables under simplified approach)

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. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

For homogenous group of receivables, 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 and delay rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At year end, the historical observed default and delay rates are updated and changes in the forward-looking estimates are analysed.

For other debtors that are heterogeneous in nature, individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Considering the business requirements, the treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities, for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 year	1-5 year	>5 year	Total
As at 31 March 2024				
Borrowings	1,118.03	910.92	-	2,028.95
Trade payables	1.77	-	-	1.77
Total	1,119.80	910.92	-	2,030.72

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at 31 March 2024. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and the Company's net investments in foreign subsidiary. 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 has taken some derivative instruments to manage its exposure and all instruments outstanding at the year-end have been accounted at fair value. The Company does not use forward contracts and swaps for speculative purposes.



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(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Assets: The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Liabilities: The Company is exposed to interest rate risk on the below mentioned borrowings:

(iii) Price risk

The Company's exposure price risk arises from investments held and classified in the balance sheet at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

22 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to ensure the Company's ability to continue as a going concern and maximize the shareholder value. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024.

Particulars	As at 31 March 2024
Borrowings (including lease liabilities)	2,028.95
Less: cash and cash equivalents (refer note no.5)	41.73
Net debt	1,987.22
Total Capital (excluding restricted reserves)	2,879.94
Capital and net debt	4,867.17
Gearing ratio	40.83%

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Notes to the Special Purpose standalone financial statements for the year ended March 31, 2024

(All amounts in INR million unless otherwise stated)

23 Related party disclosures

- i Ultimate Holding**
Lenskart Solutions Private Limited
- ii Holding**
MLO K.K.(Japan)
- iii Subsidiary**
Owndays Co., Ltd. (wholly owned)
Owndays Singapore Pte Ltd. (wholly owned)

iv Transactions with related parties during the year

Particulars	Year ended 31 March 2024
Subsidiary:	
Interest income on loan Owndays Co., Ltd.	18.33
Dividend Income Owndays Singapore Pte Ltd.	1,145.48
Loan given during the year Owndays Co., Ltd.	1,638.69
Repayment received of loan given Owndays Co., Ltd.	526.20

iii Outstanding balances as at the year end

Particulars	As at 31 March 2024
Loan Receivables Owndays Co., Ltd.	4,564.98
Interest receivable on loan to related party (refer note 23) Owndays Co., Ltd.	28.51



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24 These Special Purpose Financial Statements have been prepared solely for the limited purpose of facilitating the upload of financial information on the website of the Ultimate Holding Company in connection with the proposed Initial Public Offering ("IPO") in India.
These financial statements are not intended to be and do not constitute general purpose financial statements in accordance with the applicable financial reporting framework, and should not be used for any purpose other than stated above.

25 These are special purpose financial statement wherein management has not disclosed the comparative numbers. Further, only those disclosure as considered necessary by the management have been made in these financial statement.

26 Rounded off figures

Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

As per our report of even date attached

ADMS & CO.

Chartered Accountants

ICAI Firm Registration No. 0014626C



per Varun Gaur

Partner

Membership No. 514879

Place: Delhi

Date: July 18, 2025



For and on behalf of the Board of Directors of
OWNDAYS INC

Takeshi Umiyama

Director

Date: July 18, 2025