

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Lenskart Solutions Private Limited

**Report on the Audit of the Standalone IndAS Financial Statements****Opinion**

We have audited the accompanying Standalone IndAS Financial Statements of Lenskart Solutions Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone IndAS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone IndAS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, but does not include the Standalone IndAS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone IndAS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone IndAS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibility of Management for the Standalone IndAS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone IndAS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone IndAS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone IndAS Financial Statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone IndAS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone IndAS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone IndAS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone IndAS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone IndAS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone IndAS Financial Statements, including the disclosures, and whether the Standalone IndAS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that the Company does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode. Refer Note 53 of the Standalone IndAS Financial Statement.
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone IndAS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above.



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- (g) With respect to the adequacy of the internal financial controls with reference to these Standalone IndAS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
- (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023:
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone IndAS Financial Statements – Refer Note 36 to the Standalone IndAS Financial Statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 45 (iv) to the Standalone IndAS Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Company.



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- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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**per Yogesh Midha**

Partner

Membership Number: 094941

UDIN: 23094941BGWQHT5093

Place of Signature: New Delhi

Date: September 12, 2023



**Annexure '1' referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

**Re: Lenskart Solutions Private Limited ("the Company")**

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The management has conducted physical verification of inventory, including inventory lying with third parties, at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed.  
  
(b) As disclosed in note 20B to the Standalone IndAS financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company. As represented by the company, no quarterly returns/ statements are required to be filed by the Company with such financial institutions. The company does not have sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the company.



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- iii. (a) During the year, the Company has provided loans to its subsidiaries and advances in the nature of loan to employees as follows:

Particulars	Amount (in Mn.)
Aggregate amount granted/ provided during the year	
- Subsidiaries	1,132.12
- Employees	1.25
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	2,726.43
- Employees	3.08

During the year, the Company has not provided advances in the nature of loans, stood guarantee and provided security to companies, Limited Liability Partnership or any other parties

(b) The terms and conditions of the loans granted during the year by the company to its subsidiaries and balance outstanding as at balance sheet date are not prejudicial to the company's interest.

(c) In respect of loans granted by the company to its subsidiaries, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are in accordance with that.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- iv. Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount of Dues (Rs. In Mn)	Amount deposited/refunded adjusted (Rs. In Mn)	Period to which the amount relates	Forum where the dispute is pending
The Income tax Act, 1961	Income Tax	192.17	96.89	AY 2013-14	Commissioner of Income Tax (Appeals)
The Income tax Act, 1961	Income Tax	129.15	129.15	AY 2018-19	Commissioner of Income Tax (Appeals)

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the Standalone IndAS Financial Statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the Standalone IndAS Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment of fully and partially paid-up compulsory convertible preference shares during the year. The funds raised, have been used for the purposes for which the funds were raised.





- xi. (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii. Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Standalone IndAS Financial Statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the current and immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



# **S.R. BATLIBOI & ASSOCIATES LLP**

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- xix. On the basis of the financial ratios disclosed in note 46 to the Standalone IndAS Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone IndAS Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 31 to the Standalone IndAS Financial Statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in Note 31 to the Standalone IndAS Financial Statements.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Yogesh Midha**

Partner

Membership Number: 094941

UDIN: 23094941BGWQHT5093

Place of Signature: New Delhi

Date: September 12, 2023



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE INDAS FINANCIAL STATEMENTS OF LENSKART SOLUTIONS PRIVATE LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Standalone IndAS Financial Statements of Lenskart Solutions Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone IndAS Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Standalone IndAS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Standalone IndAS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Standalone IndAS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone IndAS Financial Statements included obtaining an understanding of internal financial controls with reference to these Standalone IndAS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone IndAS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Standalone IndAS Financial Statements.



## **Meaning of Internal Financial Controls With Reference to these Standalone IndAS Financial Statements**

A company's internal financial controls with reference to Standalone IndAS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone IndAS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Standalone IndAS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone IndAS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone IndAS Financial Statements.

## **Inherent Limitations of Internal Financial Controls With Reference to Standalone IndAS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone IndAS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone IndAS Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone IndAS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone IndAS Financial Statements and such internal financial controls with reference to Standalone IndAS Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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**per Yogesh Midha**

Partner

Membership Number: 094941

UDIN: 23094941BGWQHT5093

Place of Signature: New Delhi

Date: September 12, 2023



Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	3,869.12	1,277.24
Capital work-in-progress	3B	1,285.99	1,267.85
Investment property	3C	6,790.39	3,925.23
Goodwill	4A	10.87	10.87
Other intangible assets	4A	67.51	6.85
Right to use asset (Other than classified in note 3C)	37	710.30	479.32
Intangible assets under development	4B	1.53	33.67
<b>Financial assets</b>			
Investments	5A	25,817.30	301.14
Loans	6	2,862.32	1,426.16
Other financial assets	7	714.67	8,596.74
Deferred tax assets (net)	33	548.18	-
Non current tax assets	9	314.67	218.04
Other non-current assets	10	601.77	492.90
<b>Total non-current assets</b>		<b>43,594.62</b>	<b>18,036.01</b>
<b>Current assets</b>			
Inventories	11	3,959.70	2,108.90
<b>Financial assets</b>			
Investments	5B	7,514.21	10,229.64
Trade receivables	12	2,111.77	1,049.55
Cash and cash equivalents	13	761.72	63.50
Bank balance other than cash and cash equivalents	14	5,769.98	639.69
Other financial assets	8	11,063.11	4,387.57
Other current assets	15	1,803.98	1,096.49
<b>Total current assets</b>		<b>32,984.47</b>	<b>19,575.34</b>
<b>Total assets</b>		<b>76,579.09</b>	<b>37,611.35</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16A	152.86	152.86
Instruments entirely equity in nature	16B	172.37	148.71
Other equity	17	57,676.92	30,700.65
<b>Total equity</b>		<b>58,002.15</b>	<b>31,002.22</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	3D	5,915.63	3,298.35
Borrowings	20A	2,629.51	-
Provisions	18A	66.20	53.12
Other non-current liabilities	19	410.60	182.75
<b>Total non-current liabilities</b>		<b>9,021.94</b>	<b>3,534.22</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20B	3,398.73	190.07
Trade payables	21		
a) total outstanding dues of micro enterprises and small enterprises		88.95	73.44
b) total outstanding dues other than dues of micro enterprises and small enterprises		3,545.07	1,516.81
Lease liabilities	3D	544.57	357.95
Other financial liabilities	22	1,004.60	287.38
Provisions	18B	117.13	56.23
Other current liabilities	23	855.95	593.05
<b>Total current liabilities</b>		<b>9,555.00</b>	<b>3,074.93</b>
<b>Total liabilities</b>		<b>18,576.94</b>	<b>6,609.15</b>
<b>Total equity and liabilities</b>		<b>76,579.09</b>	<b>37,611.36</b>

**Summary of significant accounting policies**

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

As per our report of even date

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. 101049W/E300004

per Yogesh Midha  
Partner  
Membership No. 094941



Place: Gurugram  
Date: 12 September 2023

For and on behalf of the Board of Directors of  
Lenskart Solutions Private Limited

Peyush Bansal  
Director  
DIN:02070081  
Place: Gurugram  
Date: 12 September 2023

Mukti Hariharan  
Chief Financial Officer  
Place: Gurugram  
Date: 12 September 2023

Neha Bansal  
Director  
DIN:02057007  
Place: Gurugram  
Date: 12 September 2023

Preeti Gupta  
Company Secretary  
Membership No. - ACS29209  
Place: Gurugram  
Date: 12 September 2023

**Lenskart Solutions Private Limited**  
**CIN : U33100DL2008PTC178355**  
**Standalone Statement of Profit and Loss for the period ended 31 March 2023**  
**(All amounts in Rs. in million unless otherwise stated)**

	Note	Period ended 31 March 2023	Year ended 31 March 2022
<b>Income</b>			
Revenue from operations	24	23,749.88	14,387.37
Other income	25	1,564.09	1,224.19
<b>Total income</b>		<b>25,313.97</b>	<b>15,611.56</b>
<b>Expenses</b>			
Cost of materials consumed	26	7,813.34	4,858.90
Purchases of stock-in-trade	27A	2,295.69	1,081.36
Changes in inventory of traded goods	27B	(277.36)	(15.89)
Employee benefits expense	28	2,413.14	1,866.58
Finance costs	30	624.90	189.31
Depreciation and amortization expense	29	1,143.78	580.56
Other expenses	31	10,462.49	6,995.19
<b>Total expenses</b>		<b>24,475.98</b>	<b>15,556.01</b>
<b>Profit before tax</b>		<b>837.99</b>	<b>55.55</b>
<b>Tax expense</b>			
Income tax expense	33	-	-
Income tax expense relating to previous period	33	8.47	-
Deferred tax charge/(credit)	33	(548.18)	-
<b>Profit for the year (A)</b>		<b>1,377.70</b>	<b>55.55</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss in subsequent periods			
Remeasurement loss of post employment benefit obligation (net of taxes)		(6.03)	(2.24)
<b>Other comprehensive income for the year (B)</b>		<b>(6.03)</b>	<b>(2.24)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>1,371.66</b>	<b>53.31</b>
<b>Earnings per share (face value Rs. 2 per share)</b>			
Basic earnings per share (Rs.)	32	8.75	0.37
Diluted earnings per share (Rs.)		8.72	0.37

**Summary of significant accounting policies**

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

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No. 101049W/E300004


  
**per Yogesh Midha**  
Partner  
Membership No. 094941




Place: Gurugram  
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For and on behalf of the Board of Directors of  
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Date: 12 September 2023

  
**Preeti Gupta**  
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Membership No. - ACS29209  
Place: Gurugram  
Date: 12 September 2023



Lenskart Solutions Private Limited  
CIN : U33100DL2008PTC178355  
Standalone Statement of Cash Flows for the period ended 31 March 2023  
(All amounts in Rs. in million unless otherwise stated)

Particulars	Period ended 31 March 2023	Year ended 31 March 2022
<b>A Cash flows from operating activities</b>		
Profit before tax	837.99	55.55
Adjustments for:		
Gain on redemption/fair valuation of mutual fund units	(199.88)	(458.72)
Grant income	(37.83)	(18.96)
Interest income	(796.36)	(693.09)
Fair value loss on non-current investments at fair value through profit or loss (net)	(28.58)	40.94
Gain on sale of property, plant and equipment	(5.03)	(0.29)
Depreciation and amortization expense	1,143.78	580.56
Finance costs	624.90	189.31
Gain on sale of Right of assets	(8.98)	-
Provision for warranty	48.08	8.16
Share based payments to employees	40.91	26.69
Unrealized foreign exchange gain	(329.29)	(24.12)
Fair value changes of derivative contracts	0.26	-
Impact of amortized cost adjustment for borrowings	0.63	-
Impairment of trade receivables	0.69	28.44
<b>Operating profit/(loss) before working capital changes</b>	<b>1,291.29</b>	<b>(265.53)</b>
<b>Working capital adjustments:</b>		
(Increase) in inventories	(1,850.80)	(2.93)
(Increase) in other financial assets	(386.33)	(481.48)
(Increase) in other assets	(816.37)	(379.57)
(Increase) in trade receivables	(955.64)	(698.75)
(Decrease) in other financial liabilities	(102.26)	(24.23)
Increase in other liabilities	360.46	180.80
Increase in trade payables	2,017.22	382.27
Increase in provisions	25.90	17.36
<b>Cash used in operating activities</b>	<b>(1707.82)</b>	<b>(1006.53)</b>
Income tax paid	(105.10)	(116.14)
<b>Net cash used in operating activities (A)</b>	<b>(521.63)</b>	<b>(1,388.20)</b>
<b>B Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(3,110.86)	(2,266.22)
Acquisition of intangible assets	(70.55)	(33.48)
Proceeds from sale of property, plant and equipment	5.29	1.87
Investments in shares	(25,550.92)	(123.15)
Proceeds from sale of Investments	62.34	-
Net proceeds/(investment) from sale of mutual fund (net)	2,915.31	(1,474.59)
Investment in fixed deposits	(6,713.75)	(10,136.69)
Redemption of fixed deposits	3,832.30	9,189.55
Interest received on fixed deposits	296.51	810.48
Loan given to subsidiary	(1,132.09)	(962.85)
Loan given repayment from subsidiary	23.30	-
Interest received on loan to subsidiary	58.27	(0.00)
<b>Net cash (used in)/flow from investing activities (B)</b>	<b>(29,384.85)</b>	<b>(4,995.08)</b>

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**C Cash flow from financing activities**

Proceeds from issue of share capital (including share premium)	25,586.35	6,573.99
Proceeds from long term borrowings	5,071.15	-
Repayment of long term borrowings	(8.78)	-
Proceeds from short term borrowings	1,530.00	-
Repayment of short term borrowings	(990.00)	-
Payment of principal portion of lease liabilities	(335.99)	(108.57)
Payment of interest portion of lease liabilities	(400.88)	(178.04)
Interest paid	(82.32)	(11.27)
<b>Net cash flow from financing activities (C)</b>	<b>30,369.53</b>	<b>6,276.11</b>
Net increase in cash and cash equivalents (A+B+C)	463.05	(115.33)
Cash and cash equivalents at the beginning of the year	(126.57)	(11.24)
<b>Cash and cash equivalents at the end of the year</b>	<b>336.48</b>	<b>(126.57)</b>
<b>Cash and cash equivalents comprises of :</b>		
Cash on hand	-	-
Balances with scheduled bank in current accounts	761.72	63.50
Bank Overdraft (refer note 20)	(425.24)	(190.07)
	<b>336.48</b>	<b>(126.57)</b>

**Summary of significant accounting policies (note 2)**

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

As per our report of even date

For S.R. Battiboi & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. 101049W/E300004



per Yogesh Midha  
Partner  
Membership No. 094941



Place: Gurugram  
Date: 12 September 2023



For and on behalf of the Board of Directors of  
**Lenskart Solutions Private Limited**



Peyush Bansal  
Director  
DIN:02070081  
Place: Gurugram  
Date: 12 September 2023



Neha Bansal  
Director  
DIN:02057007  
Place: Gurugram  
Date: 12 September 2023



Mukti Hariharan  
Chief Financial Officer

Place: Gurugram  
Date: 12 September 2023



Preeti Gupta  
Company Secretary  
Membership No. - ACS29209  
Place: Gurugram  
Date: 12 September 2023



## A Equity share capital

Particulars	Amount
Equity shares of Rs. 2 each issued, subscribed and fully	
<b>Balance as at 1 April 2021</b>	152.73
Add:- Issued during the year (refer note 16A)	0.13
<b>Balance as at 31 March 2022</b>	152.86
Add:- Issued during the year (refer note 16A)	-
<b>Balance as at 31 March 2023</b>	152.86

## B Other equity

Particulars	Reserves and surplus				Other comprehensive income	Total
	Securities premium	Capital reserve	Retained earnings	Share options outstanding account	Remeasurement of post employment benefit obligation (net of tax)	
<b>Balance as at 1 April 2021</b>	34,512.21	1.76	(10,509.80)	48.24	-	24,052.41
-Profit for the year	-	-	55.55	-	-	55.55
-Other comprehensive income (net of tax)	-	-	-	-	(2.24)	(2.24)
<b>Total</b>	-	-	55.55	-	(2.24)	53.31
- Premium received on issue of equity shares	11.23	-	-	-	-	11.23
- Premium received on issue of 0.001% Compulsorily Convertible Cumulative Preference Shares-Series H	6,550.56	-	-	-	-	6,550.56
- Transferred to retained earnings	-	-	(2.24)	-	2.24	-
- Share options exercised	6.35	-	-	(6.35)	-	-
- ESOP issued to employee of subsidiary companies	-	-	-	6.45	-	6.45
- Expense for employee share option	-	-	-	26.69	-	26.69
<b>Balance as at 31 March 2022</b>	41,080.35	1.76	(10,456.49)	75.03	-	30,700.65
-Profit for the year	-	-	1,377.70	-	-	1,377.70
-Other comprehensive income (net of tax)	-	-	-	-	(6.03)	(6.03)
<b>Total</b>	-	-	1,377.70	-	(6.03)	1,371.67
- Premium received on issue of 0.001% Compulsorily Convertible Cumulative Preference Shares-Series I	13,870.65	-	-	-	-	13,870.65
- Premium received on issuance of 0.001% Compulsorily Convertible cumulative Preference Shares-Series II	11,692.04	-	-	-	-	11,692.04
- Transferred to retained earnings	-	-	(6.03)	-	6.03	-
- Share options exercised	-	-	-	-	-	-
- ESOP issued to employee of subsidiary companies	-	-	-	1.00	-	1.00
- Expense for employee share option	-	-	-	40.91	-	40.91
<b>Balance as at 31 March 2023</b>	66,643.04	1.76	(9,084.81)	116.94	-	57,676.92

## Summary of significant accounting policies

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

For S.R. Batliboi &amp; Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004



per Yogesh Midha

Partner

Membership No. 094941



Place: Gurugram

Date: 12 September 2023



For and on behalf of the Board of Directors of

Lenskart Solutions Private Limited



Peyush Bansal

Director

DIN:02070081

Place: Gurugram

Date: 12 September 2023



Mukti Hariharan

Chief Financial Officer

Place: Gurugram

Date: 12 September 2023



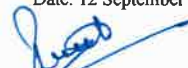
Neha Bansal

Director

DIN:02057007

Place: Gurugram

Date: 12 September 2023



Preeti Gupta

Company Secretary

Membership No. - ACS29209

Place: Gurugram

Date: 12 September 2023

**1. Corporate information**

Lenskart Solutions Private Limited (“the Company”) was incorporated under the Companies Act, 1956 on 19 May 2008, as Private Limited Company. The Company’s registered address is W-123, Greater Kailash Part-2 New Delhi-110048. The Company is engaged in the manufacturing and sale of optical and ophthalmic lenses used in spectacles and wholesale trade and distribution of branded and private labelled Eyeglasses, Sunglasses, Contact lenses, accessories products.

The standalone financial statements for the year ended 31 March 2023 were approved for issue in accordance with a resolution of the directors on 12 September 2023.

**2. Significant accounting policies**

**Basis of preparation of financial statements**

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

**2A. Functional and presentation currency**

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

**2B. Basis of measurement**

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

<b>Items</b>	<b>Measurement basis</b>
Financial assets and liabilities like certain investments	Fair value
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**

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 - note 28 and note 34**

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. 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.

**iii) 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.

**iv) Provision for litigation**

The management determines the estimated probability of outcome of any litigation based on its assessment supported by technical advice on the litigation matters, wherever required.



**v) 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.

**vi) 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. See note 38 for further disclosures.

**vii) Impairment of non-financial assets**

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:

- 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 Property, plant and equipment**

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

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

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

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

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

### **ii. Subsequent expenditure**

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



### iii. Depreciation

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

Asset category	Estimated useful life (in years)
Building (Non RCC Structure)	30
Building (RCC Structure)	60
Roads	10
Plant and machinery (Other than MEI Auto lens cutting machine)	7#
Plant and machinery (MEI Auto lens cutting machine)*	15
Furniture and fixtures	7-10
Office equipment	5-7
Computers and peripherals (including server)	3-6
Electrical fittings	10
Vehicles	6-10

# for these class of assets, based on internal technical evaluation, the management believes useful lives as given above best represent the period over which company expects to use these assets.

\*Assets working in double shift and triple shift any time during the year, the depreciated have been increase by 50% times and 100%, respectively.

Leasehold improvements are depreciated over the useful life of individual assets or period of lease, whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

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).

## 2.2 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.

## 2.3 Intangible assets

### i. Recognition and initial measurement

Intangible assets represent computer software and trademarks. Intangible assets are stated at acquisition cost less accumulated amortization and impairment loss, if any. The cost of intangible asset comprises its purchase price, including any import duties and non-refundable taxes or levies and any directly attributable expenditure on making the asset ready for its intended use. Intangible assets are amortised in statement of profit and loss on a straight line basis in accordance with the estimated useful lives of respective assets. The management's estimates of the rate of amortisation of intangible assets are as follows:

Asset category	Life (in years)
Software	5 years
Trademarks and patents	10 years

### ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.



**iii. Amortisation**

Amortisation expense is charged on a pro-rata basis for assets purchased during the year. Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**2.4 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	Weighted average cost 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	Actual cost
Work in progress	Weighted average cost

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.

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.

**2.5 Investment in Subsidiaries, Joint Venture and Associate**

The Company has measured for its investment in subsidiaries, joint venture and associate at cost in its financial statements in accordance with Ind AS 27, Separate Financial Statements. Profit/loss on sale of investments is recognized on the date of sale and is computed with reference to the original cost of the investment sold.

**2.6 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 when they are originated. 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 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***

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:

- 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.

## **2.7 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.

## **2.8 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.

## **2.9 Revenue recognition**

### **Revenue from contracts with customers**

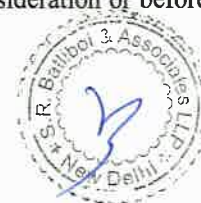
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the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





### ***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.

## **2.10 Government grants**

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.

## **2.11 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. Share based payment transactions**

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and nonmarket vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

### **iii. 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.

### **iv. 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) 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.

#### **v. 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.

#### **vi. 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.

### **2.12 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.

### **2.13 Leases**

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.

**2.14 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.

**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;

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.

## **2.15 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).

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.

## **2.16 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.

## **2.17 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.

## **2.18 Investment property:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company is classified as investment property.

Investment property also includes property that is being constructed or developed for future use as investment property.



### **Initial measurement**

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Investment property that is obtained through a lease is measured initially at the lease liability amount adjusted for any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the company, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes to the financial statements.

### **Subsequent measurement (depreciation and useful lives)**

Depreciation on investment properties comprising right-of-use held for sublease is provided on straight-line basis over the period of lease and other tangible assets as per the policy defined for same class of assets under property, plant and equipment. The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

### **De-recognition**

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

## **2.19 Recent accounting pronouncement**

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending:

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies.
- Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - This amendment has introduced a definition of 'accounting estimates' and includes guidance to help distinguish changes in accounting policies from changes in accounting estimates.
- Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases.

The same are applicable for financial statements pertaining to annual periods beginning on or after 1st April, 2023.

The Company is assessing the impact on the financial statements resulting from the implementation of these amendments.





3A	Property, plant and equipment	Building	Roads	Plant and machinery	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Computers and peripherals	Electrical fittings	Total
	Particulars										
	As at 01 April 2021	-	-	1,562.24	60.60	48.01	1.92	64.73	133.38	0.95	1,871.83
	Additions during the year	-	-	195.35	5.82	9.97	5.11	3.60	78.08	0.82	298.75
	Disposals	-	-	1.58	1.87	-	-	0.02	0.87	-	4.34
	As at 31 March 2022	-	-	1,756.01	64.55	57.98	7.03	68.31	210.59	1.77	2,166.24
	As at 01 April 2022	-	-	1,756.01	64.55	57.98	7.03	68.31	210.59	1.77	2,166.24
	Additions during the year	940.07	34.35	1,669.15	16.89	20.69	3.19	30.89	108.63	120.06	2,943.92
	Disposals	-	-	26.52	-	-	-	-	1.16	-	27.68
	As at 31 March 2023	940.07	34.35	3,398.64	81.44	78.67	10.22	99.20	318.06	121.83	5,082.48
	Accumulated depreciation										
	As at 01 April 2021	-	-	455.78	17.55	10.59	1.29	27.03	79.75	0.57	592.56
	Depreciation charge for the year	-	-	232.10	14.62	1.91	1.23	8.52	40.63	0.19	299.20
	Disposals	-	-	1.56	0.41	-	-	0.02	0.77	-	2.76
	As at 31 March 2022	-	-	686.32	31.76	12.50	2.52	35.53	119.61	0.76	889.00
	As at 01 April 2022	-	-	686.32	31.76	12.50	2.52	35.53	119.61	0.76	889.00
	Depreciation charge for the year	0.08	0.01	260.80	13.76	2.09	1.41	10.36	60.19	3.08	351.78
	Disposals	-	-	26.31	-	-	-	-	1.11	-	27.42
	As at 31 March 2023	0.08	0.01	920.81	45.52	14.59	3.93	45.89	178.69	3.84	1,213.36
	Net carrying amounts										
	At 31 March 2022	0.00	0.00	1,069.69	32.79	45.48	4.51	32.78	90.98	1.01	1,277.24
	At 31 March 2023	939.99	34.34	2,477.83	35.92	64.08	6.29	53.31	139.37	117.99	3,869.12

Notes:

- (i) Upon transition to Indian accounting standards (referred to as Ind AS), the Company had adopted optional exemption to consider carrying values as deemed cost on the date of transition to Ind AS.  
 (ii) For detailed accounting policy for property, plant and equipment and depreciation, refer note 2.  
 (iii) Certain assets have been pledged with Banks for term loans taken by the Company, refer note 20 for details of assets pledged.



**3B Capital work-in-progress**

	As at 31 March 2023	As at 31 March 2022
Capital work-in-progress	1,285.99	1,267.85
	<b>1,285.99</b>	<b>1,267.85</b>

**Notes:**

- (i) Capital work in progress ageing schedule for the year ended as on 31 March 2023 and 31 March 2022 are as follows:

**As at 31 March 2023**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,103.84	181.75	0.40		1,285.99
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,103.84</b>	<b>181.75</b>	<b>0.40</b>	<b>-</b>	<b>1,285.99</b>

**As at 31 March 2022**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,261.86	2.75	2.88	0.36	1,267.85
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,261.86</b>	<b>2.75</b>	<b>2.88</b>	<b>0.36</b>	<b>1,267.85</b>

- (ii) The Company does not have any capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

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3C Investment Property

Particulars	Right to use asset	Office equipment	Furniture and fixtures	Leasehold improvements	Total
<b>Cost</b>					
As at 01 April 2021	1,049.16	-	-	26.50	1,075.66
Additions during the year	2,615.81	134.25	146.01	221.33	3,117.40
Disposals	-	-	-	-	-
As at 31 March 2022	3,664.97	134.25	146.01	247.83	4,193.06
As at 01 April 2022	3,664.97	134.25	146.01	247.83	4,193.06
Additions during the year	3,036.82	174.91	191.19	283.20	3,686.12
Disposals	120.35	2.41	5.77	10.51	139.04
As at 31 March 2023	6,581.44	306.75	331.43	520.52	7,740.14
<b>Accumulated depreciation</b>					
As at 01 April 2021	22.99	-	-	0.53	23.52
Depreciation charge for the year	202.03	11.68	12.71	17.89	244.31
Disposals	-	-	-	-	-
As at 31 March 2022	225.02	11.68	12.71	18.42	267.83
As at 01 April 2022	225.02	11.68	12.71	18.42	267.83
Depreciation charge for the year	574.08	36.09	36.32	54.43	700.92
Disposals	18.61	0.09	0.08	0.22	19.00
As at 31 March 2023	780.49	47.68	48.95	72.63	949.75
<b>Net carrying amounts</b>					
At 31 March 2022	3,439.94	122.57	133.29	229.41	3,925.23
As at 31 March 2023	5,800.95	259.08	282.48	447.89	6,790.39



4A Intangible assets

Particulars	Software	Trademarks and patents	Total	Goodwill
<b>Cost</b>				
As at 01 April 2021	32.60	1.19	33.79	10.87
Additions during the year	0.86	-	0.86	-
Disposals	-	-	-	-
As at 31 March 2022	33.46	1.19	34.65	10.87
As at 01 April 2022	33.46	1.19	34.65	10.87
Additions during the year	68.96	1.59	70.55	-
Disposals	-	-	-	-
As at 31 March 2023	102.42	2.78	105.20	10.87
<b>Accumulated amortization</b>				
As at 01 April 2021	22.37	0.70	23.07	-
Amortization for the year	4.60	0.13	4.73	-
Disposals	-	-	-	-
As at 31 March 2022	26.97	0.83	27.80	-
As at 01 April 2022	26.97	0.83	27.80	-
Amortization for the year	8.72	1.17	9.89	-
Disposals	-	-	-	-
As at 31 March 2023	35.69	2.00	37.69	-
<b>Net carrying amounts</b>				
As at 31 March 2022	6.49	0.36	6.85	10.87
As at 31 March 2023	66.73	0.77	67.51	10.87

Notes:

(i) Upon transition to Indian accounting standards (referred to as Ind AS), the Company had adopted optional exemption to consider carrying values as deemed cost on date of transition to Ind AS.

(ii) For detailed accounting policy for intangible assets and amortization, refer note 2.

(iii) Impairment testing of Goodwill

During the year ended 31 March 2020, the Company had acquired Customer Support Business from Dealskart Online Services Private Limited whereby it acquired an organised workforce, property, plant and equipment, certain other assets and liabilities generating goodwill of Rs 10.87 million. Goodwill is attributable to one cash generating unit, being trading and distribution of branded and private labelled eyeglasses, sunglasses, contact lenses, accessories product and manufacturing of optical and ophthalmic lenses used in spectacles. The Company tests goodwill annually for impairment, or more frequently if an event occurs to warrant a review. The recoverable amount attributed to the CGU is based on value in use calculations. The key assumptions made in undertaking the value in use calculations involve estimating post-tax cash flows. Budgeted profit and cash flow forecasts for the financial year ending 31 March 2023 have been extrapolated for a period of 2 years and a terminal growth rate of 5% has been applied thereafter and used as the basis of the calculations. Discount rate assumptions are based on management estimates of the internal cost of capital likely to apply over the expected useful economic life of the goodwill and management's view of the risk associated. A discount rate of 7.2% (previous year: 7.5%) has been applied.

The management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Based on the impairment assessment, the management has determined no impairment loss in the value of goodwill.

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Lenskart Solutions Private Limited  
CIN : U33100DL2008PTC178355  
Notes to Standalone financial statements for the year ended 31 March 2023  
(All amounts in Rs. in million unless otherwise stated)

Notes:

(i) Fair Value of Investment property

Particulars	As at	
	31 March 2023	31 March 2022
Fair Value	6,763.45	4,051.66

The investment property represents leased properties and further given on sublease. The Company has not engaged registered valuer for the fair valuation of investment property, it has been computed by using Discounted cash flows method. The lease cash flows receivable from such properties have been discounted at the market rate of interest of 8.07% (31 March 2022: 7.5%) as at reporting date.

(ii) Details of income and expense relating to investment property

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
Rental income	839.67	294.91
Direct operating expenses		
- Finance cost	382.54	178.04
- Depreciation	700.92	244.31
<b>Net loss for the year</b>	<b>(243.80)</b>	<b>(127.44)</b>

(iii) For right to use assets other than classified as investment property, refer note 37.

(iv) For detailed accounting policy for investment property, refer note 2.

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**4B Intangible assets under development**

	As at 31 March 2023	As at 31 March 2022
Intangible assets under development	1.53	33.67
	<b>1.53</b>	<b>33.67</b>

Intangible assets under development ageing schedule for the year ended as on 31 March 2023 and 31 March 2022 is as follows:

**As at 31 March 23**

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.53	-	-	-	1.53
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.53</b>

**As at 31 March 22**

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	32.63	0.04	0.26	0.74	33.67
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>32.63</b>	<b>0.04</b>	<b>0.26</b>	<b>0.74</b>	<b>33.67</b>

The Company does not have any intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

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5 Investments  
A Non-current

	As at 31 March 2023	As at 31 March 2022
<b>Investment in equity shares</b>		
<b>Subsidiaries (at cost) - unquoted</b>		
10,000 (31 March 2022: 10,000) equity shares of Lenskart Eyeteck Private Limited of Rs. 10 each fully paid-up (refer note (i))	0.10	0.10
3,116,066 (31 March 2022: 900,000) equity shares of Lenskart Solutions Pte. Ltd (refer note (ii))	25,431.40	56.83
10,000 (31 March 2022: 10,000) shares of common class of Lenskart Foundation	0.10	0.10
10,000 (31 March 2022: 10,000) shares of common class of Neso Brands Pte Ltd (refer note (iii))	2.50	0.57
<b>Joint Venture (at cost) - unquoted</b>		
51% interest (31 March 2022: 51%) in Baofeng Framkart Technology Limited	28.39	28.39
1,12,50,000 (31 March 2022: Nil) shares of Owndays India Private Limited (refer note (vi))	4.95	-
<b>Associate (at cost) - unquoted</b>		
65,753 (31 March 2022: 65,753) shares of common class of Tango IT Solutions India Private Limited (refer note (iv))	70.00	70.00
<b>Others (at fair value through Profit or loss) - unquoted</b>		
10 (31 March 2022: 10) equity shares of Thin Optics Inc., USA (refer note (v))	#	#
Nil (31 March 2022: 93,672) shares of common class of Ditto Technologies Inc., USA	-	3.81
<b>Investment in preference shares - unquoted (refer note 38)</b>		
<b>Associate (at cost) - unquoted</b>		
31,107 (31 March 2022: Nil) Pre Series A Compulsorily Convertible Preference Shares of QuantDuo Technologies Private Limited (refer note (vii))	150.00	-
<b>Others (at fair value through Profit or loss) - unquoted</b>		
Nil (31 March 2022: 1,073,998) preference shares of Ditto Technologies Inc., USA	-	41.71
16,87,435 (31 March 2022: Nil) preference share of Thinoptics Inc., USA (refer note (v))	49.26	-
886 (31 March 2022: 886) Series A1 Compulsorily Convertible Preference Shares of Adloid Technologies Private Limited (refer note (viii))	74.20	62.56
207 (31 March 2022: Nil) Series C Compulsorily Convertible Preference Shares of Thinkerbell Labs Pvt. Ltd. (refer note (vi))	3.73	-
<b>Other investments - unquoted</b>		
4% convertible promissory note of ThinOptics Inc., USA (refer note (vi))	2.67	37.07
	<b>25,817.30</b>	<b>301.14</b>
Aggregate amount of unquoted investments	25,817.30	301.14
Aggregate amount of impairment	-	-
Aggregate cost of investments	25,805.53	315.42

Notes:

- (i) The Company has beneficial interest in investment in Lenskart Eyeteck Private Limited of 1 equity share (31 March 2022: 1 equity share) held in the name of an individual.
- (ii) The Company had invested in 900,000 equity shares of Lenskart Solutions Pte Ltd of SGD 1 each, fully paid-up. During the year, the Company invested in 2,216,066 equity shares for a consideration of Rs. 25,375.69 million. Other than this, the change represents the deemed investment in lieu of stock options issued by the Company to the employees of the subsidiary.
- (iii) During the previous year, the Company had invested Rs. 0.57 million on 23 February 2022 for purchase of 10,000 equity shares of Neso Brands Pte. Ltd. which represents 100% of the issued share capital. Other than the investment made, the change represents the deemed investment in lieu of stock options issued by the Company to the employees of the subsidiary.
- (iv) The Company holds 65,753 equity shares of Tango IT Solutions India Private Limited ("Tango") of INR 10 each, fully paid-up which represents 30.08% of the issued share capital, that provides significant influence over key decision making thereby, Tango has been reclassified as an associate.
- (v) During the previous year, the Company had invested in 886 Series A1 Compulsorily Convertible Preference Shares of Adloid Technologies Private Limited ("Adloid").
- (vi) During the year, the Company has invested in 207 Series C Compulsorily Convertible Preference Shares at a price of Rs. 17,403 per share of Thinkerbell Labs Pvt. Ltd.
- (vii) The Company has invested in 31,107 Pre Series A Compulsorily Convertible Preference Shares of QuantDuo Technologies Private Limited ("QuantDuo"). This investment provides the Company significant influence over key decision making thereby, QuantDuo has been classified as an associate as at 31 March 2023.
- (viii) During the year, the Company sold its investment in Ditto Technologies Inc., USA for a consideration of Rs. 62.34 million, recognising gain of Rs. 16.82 million in the standalone statement of profit & loss.
- (ix) # Rs. 308 (2022: Rs. 308) in absolute rupees.
- (x) During the year ended 31 March 2023, Thinoptics has issued 16,87,435 preference shares to the company in lieu of the promissory notes held by the Company.
- (xi) During the year ended 31 March 2023, the Company has purchased 1,12,50,000 shares of Owndays India Private Limited at a total consideration of Rs. 4.95 million. The investment provides the company for 50% of shareholding in Owndays India Private Limited, hence, providing joint control and thereby, Owndays India Private Limited has been classified as a Joint Venture as at 31 March 2023. Refer note 50 for subsequent event details.





**B Current**

**Investments in mutual funds (at fair value through profit and loss) - unquoted**

	As at 31 March 2023	As at 31 March 2022
Bandhan CRISIL IBX Gilt June 2027 Index Fund Direct Plan - Growth (31 March 2023 - 100,722,952.49 units, 31 March 2022 - Nil)	1,099.95	-
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund - Direct (31 March 2023 - 105,608,576.11 units, 31 March 2022 - Nil)	1,099.95	-
ICICI Prudential Corporate Bond Fund Direct Plan Growth (31 March 2023 - 42,260,390.92 units, 31 March 2022 - 13,548,516.04 units)	1,099.95	333.11
Aditya Birla Sun Life Corporate Bond Fund - Growth- Direct Plan (31 March 2023 - 11,505,063.03 units, 31 March 2022 - Nil)	1,099.95	-
Edelweiss Nifty PSU Bond Plus SDL Apr 2026 Index Fund- Direct Plan Growth (31 March 2023 - 72,261,817.84 units, 31 March 2022 - Nil)	799.96	-
Bandhan/JDFC Banking & PSU Debt Fund-Direct Plan-Growth (31 March 2023 - 35,590,575.61 units, 31 March 2022 - 122,542,540.96 units)	759.96	2,499.77
ICICI Prudential Short Term Fund - Direct Plan - Growth (31 March 2023 - 9,196,075.677 units, 31 March 2022 - Nil)	499.98	-
Nippon India Short Term Fund - Direct Growth Plan Growth Option (31 March 2023 - 10,507,164.169 units, 31 March 2022 - Nil)	499.98	-
Kotak Bond Fund (Short term) - Direct Plan - Growth (31 March 2023 - 5,137,584.97 units, 31 March 2022 - Nil)	245.18	-
Aditya Birla Sun Life Saving Funds - Growth-Direct Plan (31 March 2023 - 368,305.67 units, 31 March 2022 - Nil)	173.20	-
Aditya Birla Sun Life Money Manager Fund - Growth- Direct Plan (31 March 2023 - 419,684.65 units, 31 March 2022 - Nil)	132.70	-
Axis Money Market Fund Direct Growth (31 March 2023 - 2,832.94 units, 31 March 2022 Nil)	3.45	-
HDFC Money Market Fund- Direct Plan-Growth Option (31 March 2023 Nil, 31 March 2022: 154,394.02 units)	-	718.67
ICICI Prudential Liquid Fund - Direct Plan - Growth (31 March 2023: Nil, 31 March 2022 201,457.97 units)	-	63.51
SBI Corporate Bond Fund - Direct Plan - Growth (31 March 2023 Nil, 31 March 2022 45,438,848.4 units)	-	580.49
Axis Banking & PSU Debt Fund - Direct Growth (31 March 2023 Nil, 31 March 2022: 1,135,681.68 units)	-	2,483.80
IDFC Bond Fund-Short Term Plan-Growth-(Direct Plan) (31 March 2023: Nil, 31 March 2022 14,423,412.53 units)	-	706.70
BHARAT Bond FOF - April 2023 - Direct Plan Growth (31 March 2023: Nil, 31 March 2022 106,649,387.13 units)	-	1,088.53
Kotak Corporate Bond-Direct Plan-Growth Option (31 March 2023 Nil, 31 March 2022: 134,550 units)	-	421.53
Nippon India Floating Rate Fund - Direct Growth Plan (31 March 2023 - Nil, 31 March 2022 - 35,330,561.19 units)	-	1,333.53
	<b>7,514.21</b>	<b>10,229.64</b>
Aggregate value of unquoted investments	7,514.21	10,229.64
Aggregate cost of investments	7,508.00	9,517.29

**6 Loans - Non Current**

**Unsecured, considered good**  
Loan to Subsidiary Company\*

	As at 31 March 2023	As at 31 March 2022
	2,862.32	1,426.16
	<b>2,862.32</b>	<b>1,426.16</b>

**7 Other non-current financial assets**

**Unsecured, considered good**

Security deposits  
Bank deposits due to mature after 12 months of the reporting date (at amortised cost)\*  
Other fixed deposits with Non-Banking Financial Institutions (at amortised cost) - unquoted \*

	As at 31 March 2023	As at 31 March 2022
Security deposits	218.42	119.99
Bank deposits due to mature after 12 months of the reporting date (at amortised cost)*	314.97	6,395.30
Other fixed deposits with Non-Banking Financial Institutions (at amortised cost) - unquoted *	181.28	2,081.45
Security deposits - credit impaired	3.50	2.81
<b>Impairment allowance</b>		
Security deposits - credit impaired	(3.50)	(2.81)
	<b>714.67</b>	<b>8,596.74</b>

\*Represents amount of Rs. 181.28 million (31 March 2022 Rs. 4.31 million) pledged in favor of various Government authorities and security given for term loans taken by the Company





**8 Other current financial assets**

	As at 31 March 2023	As at 31 March 2022
Receivable from marketplace (refer note (i))	2,211.03	1,926.90
Other receivables (refer note (ii))	597.75	303.06
Security deposits	56.50	41.95
Bank deposits due to mature within 12 months of the reporting date (refer note (iii))	5,846.01	2,112.09
Other fixed deposits with Non-Banking Financial Institutions (at amortised cost) - unquoted (refer note (iii))	2,351.82	3.57
	<b>11,063.11</b>	<b>4,387.57</b>

**Notes:**

- (i) Represents receivable for amount collected by the marketplace provider on behalf of the Company from the customer  
(ii) The above includes Rs 511.40 million receivables from related party (refer note 41)  
(iii) Represents Deposits of Rs 4,144.65 million (31 March 2022: Rs 2.64 million) held by the Company are pledged with financial institutions against loans taken by the Company

**9 Non-current tax assets**

	As at 31 March 2023	As at 31 March 2022
Advance income tax	314.67	218.04
	<b>314.67</b>	<b>218.04</b>

**10 Other non-current assets**

	As at 31 March 2023	As at 31 March 2022
<b>Considered good</b>		
Capital advances (unsecured)	377.21	346.41
Amount paid under protest (refer note 36 and note 50)	213.46	146.21
Prepaid expenses	11.10	0.28
	<b>601.77</b>	<b>492.90</b>
Capital advances - credit impaired	2.95	2.95
	<b>604.72</b>	<b>495.85</b>
<b>Impairment allowance</b>		
Capital advances - credit impaired	(2.95)	(2.95)
	<b>601.77</b>	<b>492.90</b>

**11 Inventories**

	As at 31 March 2023	As at 31 March 2022
<b>At lower of cost and net realisable value</b>		
Traded goods (refer note (i))	557.18	279.82
Raw materials (refer note (ii))	3,229.56	1,714.55
Consumables	99.19	49.57
Tools	8.99	11.81
Store and spare parts	21.16	28.99
Finished Goods (refer note (iii))	43.62	24.16
	<b>3,959.70</b>	<b>2,108.90</b>

**Notes:**

- (i) Traded goods includes goods in transit amounting to Rs 9.10 million (31 March 2022: Rs 4.84 million)  
(ii) Raw material includes goods in transit amounting to Rs 449.66 million (31 March 2022: Rs 41 million)  
(iii) Finished goods includes goods in transit amounting to Rs 41.83 million (31 March 2022: 24.16 million)  
(iv) Refer note 26 for inventories written down to their net realisable value during the year

**12 Trade receivables**

	As at 31 March 2023	As at 31 March 2022
<b>Unsecured, considered good</b>		
Trade receivables from related parties (refer note 41)	387.03	220.05
Trade receivables from other than related parties	1,724.74	829.50
	<b>2,111.77</b>	<b>1,049.55</b>
Trade receivables - credit impaired	28.86	28.86
	<b>2,140.63</b>	<b>1,078.41</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
Trade receivables - credit impaired	(28.86)	(28.86)
	<b>2,111.77</b>	<b>1,049.55</b>

The trade receivable ageing schedule for the year ended as on 31 March 2023 and 31 March 2022 is as follows

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivable - considered good	1,722.11	291.79	52.76	45.12	-	-	2,111.77
	(642.75)	(241.37)	(100.81)	(3.74)	(47.14)	(7.74)	(1,049.55)
Undisputed trade receivable - credit Impaired	-	28.44	-	-	-	0.42	28.86
	-	(28.44)	0.00	0.00	(0.42)	0.00	(28.86)
Disputed trade receivable - considered good	-	-	-	-	-	-	-
Disputed trade receivable - credit Impaired	-	-	-	-	-	-	-

\*Numbers in bracket pertain to balances outstanding as on 31 March 2022

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 39

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person  
Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member

Trade receivables are non-interest bearing in nature



**13 Cash and cash equivalents**

	As at 31 March 2023	As at 31 March 2022
Cash on hand	-	-
Balances with scheduled bank in current accounts	611.62	63.50
Deposits with original maturity for less than 3 months	150.10	-
	<u>761.72</u>	<u>63.50</u>
<b>Other bank balances</b>		
Bank Deposits with original maturity for more than 3 months but less than 12 months	1,357.44	639.69
Bank deposits other than above, due to mature within 12 months of the reporting date	5,846.01	3.57
Bank deposits other than above, due to mature after 12 months of the reporting date	314.97	2,081.45
	<u>7,518.42</u>	<u>2,724.71</u>
<b>Less : Disclosed under</b>		
Other bank balances (refer note 14)	1,357.44	639.69
Other financial assets (current) (refer note 8)	5,846.01	3.57
Other financial assets (non-current) (refer note 7)	314.97	2,081.45
	<u>-</u>	<u>-</u>

**14 Bank balance other than cash and cash equivalents**

	As at 31 March 2023	As at 31 March 2022
Bank Deposits with original maturity for more than 3 months but less than 12 months	1,357.44	639.69
Other fixed deposits with Non-Banking Financial Institutions (at amortised cost) - unquoted	4,412.54	-
	<u>5,769.98</u>	<u>639.69</u>

- (i) There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting period and prior periods
- (ii) Deposits with original maturity for more than three months but less than 12 months of Rs. 484.01 million (31 March 2022: Rs. 390.47 million), held by the Company, are not available for use as these are pledged with Government and other authorities

**15 Other current assets**

	As at 31 March 2023	As at 31 March 2022
<b>Considered good</b>		
Prepaid expenses*	37.90	36.78
Balance with government authorities	1,189.46	812.80
Advances to employees	3.08	6.60
Advances to suppliers (unsecured)	573.54	240.31
Advances to suppliers - credit impaired	4.32	1.37
	<u>1,808.30</u>	<u>1,097.86</u>
<b>Impairment allowance</b>		
Advances to suppliers - credit impaired	(4.32)	(1.37)
	<u>1,803.98</u>	<u>1,096.49</u>

\* Includes Rs. 5.67 million for contributions made as corporate social responsibility expense (refer note 31B(vi))



16A Equity share capital

a) Authorised equity share capital

Equity shares of Rs. 2 each (31 March 2022: Rs. 2 each)  
Equity shares Series A of Rs. 2 each (31 March 2022: Rs. 2 each)  
Equity shares Series B of Rs. 2 each (31 March 2022: Rs. 2 each)

As at 31 March 2023		As at 31 March 2022	
No. of shares	Amount	No. of shares	Amount
9,22,00,000	184.40	9,22,00,000	184.40
10,000	0.02	10,000	0.02
10,000	0.02	10,000	0.02
<b>9,22,20,000</b>	<b>184.44</b>	<b>9,22,20,000</b>	<b>184.44</b>

b) Issued, subscribed and fully paid-up equity shares

Equity shares of Rs. 2 each (31 March 2022: Rs. 2 each)  
At the beginning of the year  
Add: Shares issued  
At the end of the year

As at 31 March 2023		As at 31 March 2022	
No. of shares	Amount	No. of shares	Amount
7,64,26,098	152.85	7,63,57,648	152.72
-	-	68,450	0.13690
<b>7,64,26,098</b>	<b>152.85</b>	<b>7,64,26,098</b>	<b>152.85</b>

Equity shares Series A of Rs. 2 each (31 March 2022: Rs. 2 each)  
At the beginning of the year  
At the end of the year

As at 31 March 2023		As at 31 March 2022	
No. of shares	Amount	No. of shares	Amount
1,410	#	1,410	#
<b>1,410</b>	<b>#</b>	<b>1,410</b>	<b>#</b>

Equity shares Series B of Rs. 2 each (31 March 2022: Rs. 2 each)  
At the beginning of the year  
At the end of the year

As at 31 March 2023		As at 31 March 2022	
No. of shares	Amount	No. of shares	Amount
4,124	0.01	4,124	0.01
<b>4,124</b>	<b>0.01</b>	<b>4,124</b>	<b>0.01</b>

# Rs. 2,820 in absolute rupees

As at 31 March 2023		As at 31 March 2022	
No. of shares	Amount	No. of shares	Amount
<b>7,64,31,632</b>	<b>152.86</b>	<b>7,64,31,632</b>	<b>152.86</b>

c) Rights, preferences and restrictions attached to equity shares

The Company has equity shares having a par value of Rs. 2 per share. Each shareholder is eligible to one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Rights, preferences and restrictions attached to equity shares Series A

The Company has equity shares Series A having a par value of Rs. 2 per share. Each shareholder is eligible to one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in Annual General Meeting, except in case of interim dividend. The voting rights of an equity Series A shareholder on a poll (not on show of hands) are in proportion to its share of paid equity capital of the company. Voting rights can not be exercised in respect of the shares on which any call or other sums presently payable have not been paid. In the event of liquidation, equity shareholders are entitled to receive remaining assets of the Company after distribution of preferential amount) in the proportion of equity shares Series A held by the shareholders.

e) Rights, preferences and restrictions attached to equity shares Series B

The Company has equity shares Series B having a par value of Rs. 2 per share. Each shareholder is eligible to one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in Annual General Meeting, except in case of interim dividend. The voting rights of an equity Series B shareholder on a poll (not on show of hands) are in proportion to its share of paid equity capital of the company. Voting rights can not be exercised in respect of the shares on which any call or other sums presently payable have not been paid. In the event of liquidation, equity shareholders are entitled to receive remaining assets of the Company after distribution of preferential amount) in the proportion of equity shares Series B held by the shareholders.

f) Terms attached to stock options granted to employees are described in note 34 (D) regarding employee share based payments.

g) Equity shares of Company held by each shareholder holding more than 5% shares\*

Name of shareholders

Equity shares of Rs. 2 each (31 March 2022: Rs. 2 each)

Abu Dhabi Investment Authority  
Peyush Bansal  
Neha Bansal  
KKR - Birdseye View Holdings Pte Ltd  
Stead view Capital Mauritius Ltd  
PI opportunities fund- II  
Dave Asia Mauritius Limited  
Kedaara Capital Fund II LLP  
Utilizer Alternative Venture LLP (formerly known as Utilizer Ventures)

Name of shareholders	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Abu Dhabi Investment Authority	1,40,58,793	18.40%	-	0.00%
Peyush Bansal	76,30,613	9.98%	77,93,744	10.20%
Neha Bansal	75,86,457	9.93%	77,49,588	10.14%
KKR - Birdseye View Holdings Pte Ltd	76,95,578	10.07%	76,95,578	10.07%
Stead view Capital Mauritius Ltd	60,81,766	7.96%	76,81,275	10.05%
PI opportunities fund- II	68,47,392	8.96%	70,08,770	9.17%
Dave Asia Mauritius Limited	35,99,097	4.71%	63,99,517	8.37%
Kedaara Capital Fund II LLP	37,68,968	4.93%	54,85,356	7.18%
Utilizer Alternative Venture LLP (formerly known as Utilizer Ventures)	31,72,919	4.15%	43,96,403	5.75%
Equity shares Series A of Rs. 2 each (31 March 2022: Rs. 2 each)				
PI opportunities fund- II	705	50.00%	705	50.00%
TR Capital II LP	705	50.00%	705	50.00%
Equity shares Series B of Rs. 2 each (31 March 2022: Rs. 2 each)				
PI opportunities fund- II	810	19.64%	810	19.64%
TR Capital II LP	810	19.64%	810	19.64%
Utilizer Alternative Venture LLP (formerly known as Utilizer Ventures)	1,252	30.36%	1,252	30.36%
Stead view Capital Mauritius Ltd	951	23.06%	951	23.06%

\* The disclosure is based on the legal ownership of the shares held as at the year end.



b) Details of shares held by promoters

Name of promoters	As at 31 March 2023			As at 31 March 2022		
	No. of shares	% holding	% change during the year	No. of shares	% holding	% change during the year
Equity shares of Rs. 2 each (31 March 2022: Rs. 2 each)						
Peyush Bansal	76,30,613	9.98%	-2.09%	77,93,744	10.20%	-1.67%
Neha Bansal	75,86,457	9.93%	-2.11%	77,49,588	10.14%	-1.73%
Amit Chaudhary	8,94,261	1.17%	-15.43%	10,57,392	1.38%	-1.70%
Sumet Kapahi	8,52,595	1.12%	-16.06%	10,15,726	1.33%	-1.77%

i) The Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date.

16B Instruments entirely equity in nature

a) Authorized preference share capital

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
0.001% (31 March 2022: 0.001%) Cumulative Compulsorily Convertible Preference Shares-Series A of Rs. 2 each	95,20,000	19.04	95,20,000	19.04
0.001% (31 March 2022: 0.001%) Cumulative Compulsorily Convertible Preference Shares-Series B of Rs. 2 each	96,70,000	19.34	96,70,000	19.34
0.001% (31 March 2022: 0.001%) Cumulative Compulsorily Convertible Preference Shares-Series C2 of Rs. 2 each	30,000	0.06	30,000	0.06
0.001% (31 March 2022: 0.001%) Cumulative Compulsorily Convertible Preference Shares-Series D of Rs. 2 each	1,21,50,000	24.30	1,21,50,000	24.30
0.001% (31 March 2022: 0.001%) Cumulative Compulsorily Convertible Preference Shares-Series E of Rs. 2 each	38,20,000	7.64	38,20,000	7.64
0.001% (31 March 2022: 0.001%) Cumulative Compulsorily Convertible Preference Shares-Series F of Rs. 2 each	1,20,00,000	24.00	1,20,00,000	24.00
0.001% (31 March 2022: 0.001%) Cumulative Compulsorily Convertible Preference Shares-Series G of Rs. 2 each	2,30,00,000	46.00	2,30,00,000	46.00
0.001% (31 March 2022: 0.001%) Compulsorily Convertible Non-cumulative Preference Shares Class I of Rs. 2 each	6,00,00,000	120.00	6,00,00,000	120.00
0.001% (31 March 2022: 0.001%) 0.001% Compulsorily Convertible Cumulative Preference Shares-Series H of Rs. 2 each	1,00,00,000	20.00	1,00,00,000	20.00
0.001% Compulsorily Convertible Cumulative Preference Shares-Series I of Rs. 2 each	93,50,000	18.70	-	-
0.001% Compulsorily Convertible Cumulative Preference Shares-Series II of Rs. 2 each	65,00,000	13.00	-	-
0.001% (31 March 2022: 0.001%) Compulsorily Convertible Non Cumulative Preference Shares Class 2 of Rs. 10 each	6,00,000	6.00	6,00,000	6.00
	<b>15,66,40,000</b>	<b>318.08</b>	<b>14,07,90,000</b>	<b>286.38</b>

b) Issued, subscribed and fully paid-up preference shares

0.001% Cumulative Compulsorily Convertible Preference Shares-Series A of Rs. 2 each

At the beginning of the year  
 At the end of the year

No. of shares	Amount	No. of shares	Amount
73,78,505	14.76	73,78,505	14.76
73,78,505	14.76	73,78,505	14.76

0.001% Cumulative Compulsorily Convertible Preference Shares-Series B of Rs. 2 each

At the beginning of the year  
 At the end of the year

96,65,660	19.33	96,65,660	19.33
96,65,660	19.33	96,65,660	19.33

0.001% Cumulative Compulsorily Convertible Preference Shares-Series D of Rs. 2 each

At the beginning of the year  
 At the end of the year

93,75,488	18.75	93,75,488	18.75
93,75,488	18.75	93,75,488	18.75

0.001% Cumulative Compulsorily Convertible Preference Shares-Series E of Rs. 2 each

At the beginning of the year  
 At the end of the year

38,11,068	7.62	38,11,068	7.62
38,11,068	7.62	38,11,068	7.62

0.001% Cumulative Compulsorily Convertible Preference Shares-Series F of Rs. 2 each

At the beginning of the year  
 At the end of the year

61,43,623	12.29	61,43,623	12.29
61,43,623	12.29	61,43,623	12.29

0.001% Cumulative Compulsorily Convertible Preference Shares-Series G of Rs. 2 each

At the beginning of the year  
 At the end of the year

2,29,76,465	45.95	2,29,76,465	45.95
2,29,76,465	45.95	2,29,76,465	45.95

0.001% Compulsorily Convertible cumulative Preference Shares-Series H of Rs. 2 each

At the beginning of the year  
 Add: Shares issued  
 At the end of the year

54,67,911	10.94	-	-
-	-	54,67,911	10.94
54,67,911	10.94	54,67,911	10.94

(This space has been intentionally left blank)



**0.001% Compulsorily Convertible cumulative Preference Shares-Series I of Rs. 2 each**

At the beginning of the year	-	-	-	-
Add: Shares issued	66,50,933	13.30	-	-
At the end of the year	66,50,933	13.30	-	-

**0.001% Compulsorily Convertible cumulative Preference Shares-Series II of Rs. 2 each**

At the beginning of the year	-	-	-	-
Add: Shares issued	51,80,069	10.36	-	-
At the end of the year	51,80,069	10.36	-	-

**0.001% Compulsorily Convertible Non-cumulative Preference Shares-Class I of Rs. 2 each**

At the beginning of the year	89,68,849	17.94	89,68,849	17.94
At the end of the year	89,68,849	17.94	89,68,849	17.94

**c) Issued, subscribed and partly paid-up preference shares**

**0.001% Compulsorily Convertible Non-cumulative Preference Shares-Class 2 of Rs. 10 each (partly paid Rs 2 each)**

At the beginning of the year	5,65,783	1.13	-	-
Add: Shares issued	-	-	5,65,783	1.13
At the end of the year	5,65,783	1.13	5,65,783	1.13

<b>Total</b>	<b>8,61,84,354</b>	<b>172.37</b>	<b>7,43,53,352</b>	<b>148.71</b>
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**d) Rights, preferences and restrictions attached to preference shares**

The Company has Compulsorily convertible preference shares (CCPS) having a par value of Rs 2 per share (other than CCPS Class 2 of Rs 10 each). Preference shares carry a preferential right as to dividend over equity shareholders. Dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares. And all the preferred rights as stipulated in under Articles 8 of Articles of Association (AOA).

The preference shares carry a dividend of 0.001% per annum. The rate of dividend is reduced to 0.001% per annum from 8% per annum earlier w.e.f. 29 March 2018. The dividend rights are cumulative. The preference shares rank ahead of the equity shares in the event of a liquidation. The presentation of these shares is explained in the summary of significant accounting policy.

During the year ended 31 March 2018, the preference shares holders have waived their right to receive cumulative preference dividend of 8% per annum accrued till 31 March 2018 pursuant to amendment to the shareholders agreement.

**e) Term of conversion of preference shares**

0.001% (31 March 2022: 0.001%) Compulsorily Convertible Cumulative Preference Shares of the Company, having a nominal value of Rs. 2 each (other than CCPS Class 2 of Rs 10 each) of which shall be entitled to be converted into Equity Shares at the earliest of the following events in the manner stipulated under Articles 11 and AOA:

**Series A**

One business day immediately preceding the filing of the Red Herring Prospectus in connection with a qualified IPO; or The exercise of an option by the Preference Shares Series A Shareholders in respect of either the full or a part of the Preference Shares; or Not later than 15 years from 4 October 2011 in the manner stipulated under Articles 11 of AOA;

**Series B**

One business day immediately preceding the filing of the Red Herring Prospectus in connection with a qualified IPO; or The exercise of an option by the Preference Shares Series B Shareholders in respect of either the full or a part of the Preference Shares; or Not later than 15 years from the 6 February 2013;

**Series C2**

One business day immediately preceding the filing of the Red Herring Prospectus in connection with a qualified IPO; or The exercise of an option by the Preference Shares Series C2 Shareholders in respect of either the full or a part of the Preference Shares; or Not later than 15 years from the 22nd March, 2016;

**Series D**

One business day immediately preceding the filing of the Red Herring Prospectus in connection with a qualified IPO; or The exercise of an option by the Preference Shares Series D Shareholders in respect of either the full or a part of the Preference Shares; or Not later than 15 years from the 2nd May, 2016;

**Series E**

One business day immediately preceding the filing of the Red Herring Prospectus in connection with a qualified IPO; or The exercise of an option by the Preference Shares Series E Shareholders in respect of either the full or a part of the Preference Shares; or Not later than 15 years from the 2nd September, 2016;

**Series F**

One business day immediately preceding the filing of the Red Herring Prospectus in connection with a qualified IPO; or The exercise of an option by the Preference Shares Series F Shareholders in respect of either the full or a part of the Preference Shares; or Not later than 15 years from the 16th September, 2019;

**Series G**

One business day immediately preceding the filing of the Red Herring Prospectus in connection with a qualified IPO; or The exercise of an option by the Preference Shares Series G Shareholders in respect of either the full or a part of the Preference Shares; or Not later than 15 years from the 20th December, 2019;

**Series H**

One business day immediately preceding the filing of the Red Herring Prospectus in connection with a qualified IPO; or The exercise of an option by the Preference Shares Series H Shareholders in respect of either the full or a part of the Preference Shares; or Not later than 15 years from the 26th July, 2021;

**Series I**

One business day immediately preceding the filing of the Red Herring Prospectus in connection with a qualified IPO; or The exercise of an option by the Preference Shares Series I Shareholders in respect of either the full or a part of the Preference Shares; or Not later than 15 years from the date of issuance of shares. The below table provides the details w.r.t issuance of shares

Number of shares	Date of Allotment
36,41,646	13-04-2022
3,64,165	30-04-2022
3,64,165	16-05-2022
99,782	01-06-2022
10,53,882	08-06-2022
82,300	17-06-2022
5,65,956	07-07-2022
4,79,037	06-08-2022



Series II

One business day immediately preceding the filing of the Red Herring Prospectus in connection with a qualified IPO; or The exercise of an option by the Preference Shares Series II Shareholders in respect of either the full or a part of the Preference Shares; or Not later than 15 years from the date of issuance of shares. The below table provides the details w.r.t issuance of shares:

Number of shares	Date of Allotment
5,46,249	17-11-2022
4,42,650	17-11-2022
4,42,650	18-11-2022
4,42,650	23-12-2022
33,05,870	29-03-2023

Class 1

The CCPS shall be convertible into Equity Shares (as defined in the Articles) in the ratio of 10:1 (for every 10 CCPS held, 1 Equity Share to be issued) provided that the same are converted within 2 (two) months from the date of issuance of the CCPS ("Cut-off Date"). In the event, the CCPS are not converted before the Cut-off Date, then conversion ratio of the CCPS shall be subject to the adjustments approved by the Shareholders on 14th August, 2019.

Class 2

The CCPS shall be convertible into Equity Shares (as defined in the Articles) in the ratio of:

- (i) 1:1 (for every 1 CCPS held, 1 Equity Share to be issued) in the event either domestic or international expansion target has been achieved on or before 30th September, 2022
- (ii) 1:3 (for every 1 CCPS held, 3 Equity Share to be issued) in the event both domestic and international expansion target has been achieved on or before 30th September, 2022.
- (iii) 4:1 (for every 4 CCPS held, 1 Equity Share to be issued) in the event neither domestic nor international expansion target has been achieved on or before 30th September, 2022

at the option of the holder of CCPS at any time prior to 20 years; automatically, 5 days prior to expiry of 20 years; automatically 5 days prior to occurrence of an exit event, liquidation or winding up of the Company. This conversion is subject to CCPS being fully paid and holders attending and participating in the discussions of the Shareholders of the Company until 30th September, 2022.

f) Shares in the CCPS of company held by each shareholder holding more than 5% shares

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
<b>Preference shares - Series A of Rs. 2 each (31 March 2022: Rs. 2 each)</b>				
PI Opportunities Fund-II	45,73,282	61.98%	53,06,790	71.92%
Abu Dhabi Investment Authority	7,33,508	9.94%	-	-
SVF II Lightbulb (Cayman) Limited	17,04,015	23.09%	17,04,015	23.09%
<b>Preference shares - Series B of Rs. 2 each (31 March 2022: Rs. 2 each)</b>				
TR Capital III Mauritius	14,67,125	15.18%	22,08,196	22.85%
Unilazer Alternative Venture LLP (formerly known as Unilazer Ventures)	48,32,830	50.00%	48,32,830	50.00%
Abu Dhabi Investment Authority	13,73,592	14.21%	-	0.00%
TR Capital III Mauritius II	17,28,303	17.88%	26,01,299	26.91%
<b>Preference shares - Series D of Rs. 2 each (31 March 2022: Rs. 2 each)</b>				
International Finance Corporation (IFC)	72,21,769	77.03%	72,21,769	77.03%
Pratichi Investment Trust, through its trustee, Senapathy Gopalakrishnan	3,14,135	3.35%	5,49,511	5.86%
SVF II Lightbulb (Cayman) Limited	16,04,208	17.11%	16,04,208	17.11%
<b>Preference shares - Series E of Rs. 2 each (31 March 2022: Rs. 2 each)</b>				
PI Opportunities Fund-II	19,05,534	50.00%	38,11,068	100.00%
Abu Dhabi Investment Authority	19,05,534	50.00%	-	-
<b>Preference shares - Series F of Rs. 2 each (31 March 2022: Rs. 2 each)</b>				
Kedara Capital Fund II LLP	43,88,302	71.43%	43,88,302	71.43%
Kedara Norfolk	17,55,321	28.57%	17,55,321	28.57%
<b>Preference shares - Series G of Rs. 2 each (31 March 2022: Rs. 2 each)</b>				
SVF II Lightbulb (Cayman) Limited	2,29,76,465	100.00%	2,29,76,465	100.00%
<b>Preference shares - Series H of Rs. 2 each (31 March 2022: Rs. 2 each)</b>				
Faloon Edge	36,45,274	66.67%	36,45,274	66.67%
Bevcapital	12,15,091	22.22%	12,15,091	22.22%
<b>Preference shares - Series I of Rs. 2 each (31 March 2022: Nil)</b>				
Alpha Wave Ventures II LP	36,41,646	54.75%	-	-
Aventus Future Leaders Fund II	10,53,882	15.85%	-	-
Epiq Capital II	8,28,112	12.45%	-	-
Macritchie Investments Pte. Ltd	5,65,956	8.51%	-	-
Ravi Modi Family Trust	4,79,037	7.20%	-	-
<b>Preference shares - Series II of Rs. 2 each (31 March 2022: Nil)</b>				
Abu Dhabi Investment Authority	33,05,870	63.82%	-	-
DSP Fund India	5,46,249	10.55%	-	-
Axis Growth Avenues AIF - I	4,42,650	8.55%	-	-
Chintac Ventures	4,42,650	8.55%	-	-
State Bank of India	4,42,650	8.55%	-	-
<b>Preference shares - Class I of Rs. 2 each (31 March 2022: Rs. 2 each)</b>				
Peyush Bansal	39,50,143	44.04%	39,50,143	44.04%
Neha Bansal	39,43,044	43.96%	39,43,044	43.96%
Amit Chaudhary	5,37,831	6.00%	5,37,831	6.00%
Sumeet Kapahi	5,37,831	6.00%	5,37,831	6.00%
<b>Preference shares - Class2 of Rs. 10 each (31 March 2022: Rs. 10 each) (partly paid Rs 2 each)</b>				
Peyush Bansal	2,49,924	44.17%	2,49,924	44.17%
Neha Bansal	2,48,901	43.99%	2,48,901	43.99%
Amit Chaudhary	33,950	6.00%	33,950	6.00%
Sumeet Kapahi	33,008	5.83%	33,008	5.83%

g) Details of shares held by promoters

Name of promoters	As at 31 March 2023			As at 31 March 2022		
	No. of shares	% holding	% change during the year	No. of shares	% holding	% change during the year
<b>Preference shares - Class I of Rs. 2 each (31 March 2022: Rs. 2 each)</b>						
Peyush Bansal	39,50,143	44.04%	-	39,50,143	44.04%	-
Neha Bansal	39,43,044	43.96%	-	39,43,044	43.96%	-
Amit Chaudhary	5,37,831	6.00%	-	5,37,831	6.00%	-
Sumeet Kapahi	5,37,831	6.00%	-	5,37,831	6.00%	-
<b>Preference shares - Class2 of Rs. 10 each (31 March 2022: Rs. 10 each) (partly paid Rs 2 each)</b>						
Peyush Bansal	2,49,924	44.17%	-	2,49,924	44.17%	-
Neha Bansal	2,48,901	43.99%	-	2,48,901	43.99%	-
Amit Chaudhary	33,950	6.00%	-	33,950	6.00%	-
Sumeet Kapahi	33,008	5.83%	-	33,008	5.83%	-

g) The Company has neither issued preference shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date.





17 Other equity

	As at 31 March 2023	As at 31 March 2022
<b>Retained earnings</b>		
Opening balance	(10,456.49)	(10,509.80)
Add Profit for the year	1,377.70	55.55
Add Transferred from other comprehensive income	(6.03)	(2.24)
<b>Balance at the end of the year</b>	<b>(9,084.82)</b>	<b>(10,456.49)</b>
<b>Securities premium</b>		
Opening balance	41,080.35	34,512.21
Add Premium received on issue of Equity shares	-	11.23
Add Premium received on issuance of 0.001% Compulsorily Convertible cumulative Preference Shares-Series I (refer note 15(I))	13,870.65	-
Add Premium received on issuance of 0.001% Compulsorily Convertible cumulative Preference Shares-Series II (refer note 15(II))	11,692.04	-
Add Premium received on issuance of 0.001% Compulsorily Convertible cumulative Preference Shares-Series III	-	6,550.56
Add Transferred from Share options account against options exercised during the year	-	6.35
<b>Balance at the end of the year</b>	<b>66,643.04</b>	<b>41,080.35</b>
<b>Share options outstanding account</b>		
Opening balance	75.03	48.24
Less Transferred to securities premium for options exercised during the year	-	(6.35)
Add ESOP issued to employees of subsidiary company	1.00	6.45
Add Expense for employee stock options accounted at fair value	40.91	26.69
<b>Balance at the end of the year</b>	<b>116.94</b>	<b>75.03</b>
<b>Capital reserve</b>		
Opening balance	1.76	1.76
Add Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>1.76</b>	<b>1.76</b>
<b>Other comprehensive income</b>		
<b>Remeasurement of post employment benefit obligation</b>		
Opening balance	-	-
Add Remeasurement loss of post employment benefit obligation	(6.03)	(2.24)
Less Transferred to retained earnings	6.03	2.24
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>57,676.92</b>	<b>30,700.65</b>

Nature and purpose of reserves

- (i) **Securities premium**  
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
- (ii) **Share options outstanding account**  
The Company has established various equity-settled share-based payment plans for certain categories of employees of the Company. Refer to Note 34 (D) for further details on these plans.
- (iii) **Capital reserve**  
The Company has recognized capital reserve on purchase of business unit from its wholly owned subsidiary 'Lenskart Eyetech Private Limited'.
- (iv) **Retained earnings**  
Retained earnings are the profits (loss) that the Company 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.

18 Provisions

	As at 31 March 2023	As at 31 March 2022
<b>A Non-current</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 34A)	44.27	38.02
Provision for compensated absences (refer note 34B)	21.93	15.10
	<b>66.20</b>	<b>53.12</b>
<b>B Current</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 34A)	25.03	19.28
Provision for compensated absences (refer note 34B)	17.53	10.40
<b>Provision for warranties</b>	74.57	26.49
	<b>117.13</b>	<b>56.23</b>

Information related to provision for warranty:

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.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance	26.49	18.33
Change during the year	48.08	8.16
<b>Closing balance</b>	<b>74.57</b>	<b>26.49</b>



**19 Other non-current liabilities**

	As at 31 March 2023	As at 31 March 2022
Contract liabilities	148.31	66.91
Government grant (refer note 49)	262.29	115.84
	<b>410.60</b>	<b>182.75</b>

**20 Borrowings**

**A Non-current**

	As at 31 March 2023	As at 31 March 2022
<b>Secured</b>		
Term loan from banks	2,629.51	-
	<b>2,629.51</b>	<b>-</b>

**Notes:**

(i) Details of security of long term borrowings for the year ended 31 March 2023

(A) Term loan from HDFC Bank Limited outstanding to Rs. 1,242.72 million (includes current maturities of Rs. 47.66 million and processing fees netted of Rs. 3.91 million) is secured by first charge on

a. All Borrower's immovable properties (owned and/or leased, together with all structures and appurtenances thereon, pertaining to the Project present and future, located at Bhiwadi Rajasthan

b. All Borrower's tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, pertaining to the project (including existing Plant and Machinery at Gurgaon Plant)

c. (i) all the rights, title, interest, benefits, claims and demands whatsoever of Borrower in Project Documents, as amended, varied or supplemented from time to time, (ii) all the rights, title, interest, benefits, claims and demands whatsoever of Borrower in the clearances in respect of the Project, (iii) all the rights, title, interest, benefits, claims and demands whatsoever of Borrower in any letter of credit, guarantee (including contractor guarantees), performance bonds provided by any party under Project Documents, present and future, and (iv) all the rights, titles, interests, benefits, claims and demand whatsoever of Borrower in respect of insurance contracts policies procured by the Borrower or procured by any of its contractors favoring the Borrower for the Project. Insurance Proceeds in respect of the Project, present and future.

d. A first charge by way of hypothecation on escrow account, DSRA and any other reserves stipulated by Lender as applicable

(B) Term loan from State Bank of India (SBI) outstanding to Rs. 1,490.29 million (includes current maturities of Rs. 55.84 million and processing fees netted of Rs. 4.31 million) is secured by

a. first pari passu charge by way of mortgage over the Project site, together with all super-structures, construction thereof, easements, right to way and appurtenances thereon, both present and future,

b. first pari passu charge by way of hypothecation all the present and future tangible moveable assets including all fixed assets, equipment, plant, machinery, tools, fixtures, fittings, spare parts, accessories, any accretions, alterations, other merchandise and whatsoever being movable properties now or at anytime hereafter belonging to the Borrower or at the disposal of Borrower and now or at any time hereafter lying, stored or to be stored or brought into or upon or in course of transit to the Borrower's factory or premises or at any other place whatsoever and where so ever in his possession and occupation or at any other premises or place,

c. exclusive charge by way of hypothecation over the DSRA and all the moneys lying to the credit of DSRA or liable to be credited to DSRA.

The above security shall be shared on pari- passu basis inter se all the Lenders

(ii) Terms of repayment and interest rate for the year ended 31 March 2023

a. The rate of interest for secured loans ranges from 7.4% to 8.95%

b. The Future annual repayment obligations on principal amount for the term loan borrowing of Rs. 2,733 million are as under

Particulars	Less than 1 year	1-5 year	>5 year	Total
Total gross	103.49	1,965.36	672.38	2,741.23
Less Impact of recognition of borrowings at amortised cost using effective interest method				8.22
Total (net)				2,733.00

(iii) There are no charges or satisfaction which are to be registered with Registrar of Companies beyond the statutory period

**B Current**

**Secured loans from banks and financial institutions**

Current maturities of long term borrowings

Loan repayable on demand (from banks)

- Short term loan

- Bank overdraft

	As at 31 March 2023	As at 31 March 2022
Current maturities of long term borrowings	2,433.49	-
Loan repayable on demand (from banks)		
- Short term loan	540.00	-
- Bank overdraft	425.24	190.07
	<b>3,398.73</b>	<b>190.07</b>

**Notes:**

(i) The rate of interest from banks ranged from 3.92% to 9% p a

(ii) The Company has working capital borrowings on the basis of security of fixed deposits. The Company is not required to file quarterly returns or statements of current assets with banks

(iii) There are no non cash transactions done during the year and previous year which are part of movement of bank overdraft during the year

(iv) The company has the following sanctioned limits available with the financial institutions -

Name of Financial Institution	Type	Amount
ICICI Bank	Bank Overdraft	50.00
Yes Bank	Bank Overdraft	150.00
CITI Bank	Bank Overdraft	50.00
HDFC Bank	Bank Overdraft	300.00
The Hongkong and Shanghai Banking Corporation Limited	Bank Overdraft	80.00
Bajaj Finance Limited	Short term loan	750.00
HDFC Limited	Short term loan	2,120.00





(v) Reconciliation of liabilities arising from financing activities:

	Long-term borrowings (including current maturities)	Short-term borrowings (excluding bank overdraft)	Total
As at 01 April 2022	-	-	-
<b>Cash flows:</b>			
Proceeds from borrowings	5,080.00	1,530.00	6,610.00
Repayment of borrowings	(8.78)	(990.00)	(998.78)
<b>Non-cash:</b>			
Impact of initial transaction costs	(8.85)	-	(8.85)
Impact of amortised cost adjustment for borrowings	0.63	-	0.63
<b>As at 31 March 2023</b>	<b>5,063.00</b>	<b>540.00</b>	<b>5,603.00</b>

Refer note 37 for movement of lease liabilities

21 Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 44)  
Total outstanding dues of creditors other than micro enterprises and small enterprises

	As at 31 March 2023	As at 31 March 2022
	88.95	73.44
	3,545.07	1,516.81
	<b>3,634.02</b>	<b>1,590.25</b>

The carrying values of above are considered to be a reasonable approximation of their fair value  
The Company's exposure to currency risks are disclosed in note 38

The trade payable ageing schedule for the year ended as on 31 March 2023 and 31 March 2022 is as follows

Particulars	Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	65.38	23.57	-	-	-	88.95
	(10.34)	(62.84)	(0.27)	-	-	(73.44)
Others	1,878.07	1,612.64	36.19	9.85	8.32	3,545.07
	(636.50)	(849.38)	(13.56)	(11.12)	(6.24)	(1,516.81)
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

\*Numbers in bracket pertain to balances outstanding as on 31 March 2022

22 Other financial liabilities

Capital creditors  
Interest accrued but not due on borrowings  
Derivative liability  
Retention money payable  
Employee benefits payable  
Refund liabilities  
Other payables\*

	As at 31 March 2023	As at 31 March 2022
	258.77	111.23
	141.68	-
	0.26	-
	234.49	17.48
	182.21	145.67
	23.44	13.00
	163.75	-
	<b>1,004.60</b>	<b>287.38</b>

\*Pavable to related party (refer note 41)

23 Other current liabilities

Statutory dues  
- TDS payable  
- Provident fund payable  
- Other statutory dues payable  
Government grant (refer note 49)  
Contract liabilities

	As at 31 March 2023	As at 31 March 2022
	138.50	85.67
	12.26	8.38
	0.79	0.64
	47.40	25.72
	657.00	472.64
	<b>855.95</b>	<b>593.05</b>



24 Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Revenue from operations (refer note 42)</b>		
<b>Sale of goods</b>		
- Sale of prescription eyewear	18,791.38	11,654.91
- Sale of other goods	3,541.70	1,944.00
<b>Sale of services</b>		
-Membership fee	435.51	402.58
-Service fee	14.49	10.38
-Home eye check-up income	12.18	13.83
<b>Other operating revenue</b>		
-Lease income (refer note 37)	860.63	294.91
-Customer support fees	68.94	45.18
-Sale of scrap	18.05	4.04
-Website license fee	6.72	6.98
-Others	0.28	10.56
	<b>23,749.88</b>	<b>14,387.37</b>

Notes:

- (i) Sale of goods includes sale of manufactured and traded goods. These include prescription eyewear, sunglasses, contact lenses and accessories.  
(ii) Refer note 42 for details.

25 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Interest income:</b>		
-on fixed deposits	647.29	616.53
-on loan to subsidiary (refer note 6)	135.89	61.57
-on financial assets carried at amortised cost	13.19	14.99
Foreign exchange gain (net)	372.43	10.57
Gain on redemption/ fair valuation of mutual fund units	199.88	458.72
Management support service fee	78.44	17.15
Grant income (refer note 49)	37.83	18.96
Gain on termination of lease	8.98	-
Gain on sale /fair value change of non-current investments carried at fair value through profit or loss (net)	28.58	-
Duty drawback	1.96	3.23
Profit on sale of property, plant and equipment	5.03	0.29
Miscellaneous income	34.59	22.18
	<b>1,564.09</b>	<b>1,224.19</b>

26 Cost of materials consumed

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Raw material consumed</b>		
Inventory at the beginning of the year	1,714.55	1,741.26
Add: Purchases (net)	9,170.96	4,680.00
Less- Inventory at the end of the year (including goods in transit)	3,229.56	1,714.55
Cost of Raw material consumed during the year	<b>7,655.95</b>	<b>4,706.71</b>
<b>Consumable consumed</b>		
Inventory at the beginning of the year	49.57	49.32
Add: Purchases (net)	209.35	133.14
Less- Inventory at the end of the year	99.19	49.57
Cost of consumable consumed during the year	<b>159.73</b>	<b>132.89</b>
<b>Tools consumed</b>		
Inventory at the beginning of the year	11.81	13.50
Add: Purchases (net)	14.30	15.33
Less- Inventory at the end of the year	8.99	11.81
Cost of tools consumed during the year	<b>17.12</b>	<b>17.02</b>
<b>Finished goods</b>		
Inventory at the beginning of the year	24.16	26.44
Less- Inventory at the end of the year	43.62	24.16
	<b>(19.46)</b>	<b>2.28</b>
<b>Total consumption</b>	<b>7,813.34</b>	<b>4,858.90</b>

Includes Rs 110.38 million (31 March 2022: 22.72 million) of inventories written down to their net realisable value during the year.



**27A Purchase of stock-in-trade**

Purchase of traded goods

Year ended 31 March 2023	Year ended 31 March 2022
2,295.69	1,081.36
<b>2,295.69</b>	<b>1,081.36</b>

**27B Changes in inventory of Traded goods**

**Opening Balance**

Traded goods (including goods in transit)

Year ended 31 March 2023	Year ended 31 March 2022
279.82	263.93

**Closing Balance**

Traded goods (including goods in transit)

557.18	279.82
<b>(277.36)</b>	<b>(15.89)</b>

**28 Employee benefits expense**

Salaries, wages and bonus

Contribution to provident and other funds (refer note 34B and 34E)

Gratuity (refer note 34A)

Share based payments to employees (refer note 34D)

Staff welfare

Year ended 31 March 2023	Year ended 31 March 2022
2,243.48	1,742.30
59.09	57.25
18.32	13.44
40.91	29.55
51.34	24.04
<b>2,413.14</b>	<b>1,866.58</b>

**29 Depreciation and amortization expense**

Depreciation of property, plant and equipment (refer note 3A)

Depreciation of investment property (refer note 3C)

Amortization of intangible assets (refer note 4)

Amortization of right-of-use assets (refer note 37)

Year ended 31 March 2023	Year ended 31 March 2022
351.78	299.20
700.92	244.31
9.89	4.72
81.19	32.32
<b>1,143.78</b>	<b>580.56</b>

**30 Finance costs**

Interest on

- Long term borrowings

- Short term borrowings

- Lease liabilities (refer note 37)

Interest on statutory liabilities

Year ended 31 March 2023	Year ended 31 March 2022
163.86	-
60.05	11.27
400.88	178.04
0.11	-
<b>624.90</b>	<b>189.31</b>

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31 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Marketing and promotion expenses	1,690.55	1,931.85
Contractual labour	531.13	310.40
Commission & incentive expense	5,832.61	3,049.70
Consumption of store and spares	42.48	28.28
Information technology support expenses	710.43	380.65
Office maintenance and security	50.86	21.18
Legal and professional fees (refer note A below)	214.32	124.66
Postage and courier expenses	490.11	333.60
Marketplace fee	298.04	390.06
Rent (refer note 37)	86.64	41.99
Travel and conveyance	116.05	54.46
Communication	48.37	68.63
Electricity and water	79.45	63.77
Repair and maintenance - others	72.58	41.01
Insurance	16.52	6.55
Staff recruitment and training	61.17	34.06
Payment gateway charges	0.72	-3.06
Rates and taxes	46.05	30.38
Printing and stationery	9.40	4.50
Provision for warranty (refer note 18B)	48.08	8.16
Fair value loss on non-current investments at fair value through profit or loss (net)	-	40.94
Provision for doubtful advances	0.69	-
Realised loss on non-current investments at fair value through profit or loss (net)	-	-
Contribution to Lenskart Foundation (refer note B below)	3.05	-
Impairment of trade receivables	-	28.44
Fair value changes of derivative contracts	0.26	-
Miscellaneous	12.93	4.98
	<b>10,462.49</b>	<b>6,995.19</b>
<b>A) Payment to auditors include:</b>		
Statutory audit fee	7.00	4.50

**B) Details of Corporate Social Responsibilities under Section 135 of Companies Act**

Contribution to Lenskart Foundation includes Rs 0.82 million of contribution towards corporate social responsibility expenses.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Amount required to be spent by the company during the year	0.82	-
(ii) Amount spent during the year on:		
(a) Construction or acquisition of any assets	-	-
(b) on purpose other than (a) above	0.82	-
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	Not Applicable	Not Applicable

Nature of CSR activities : Vision correction through eye care services

Above includes a contribution of Rs. 0.82 million (2021-22: Nil) to subsidiary Lenskart Foundation which is a Section 8 registered Company under Companies Act, 2013. Lenskart Foundation is primarily engaged in the following activities on non-profit basis

a) To work in the area of vision correction for all sections of the society by making consistent efforts and steps towards spreading awareness about vision correction, developing low cost technology that enables us and others to make vision care accessible in all nooks and corners of the country.

b) To reduce the number of visually challenged population in India, by providing affordable/costless eye care services accessible to all sections of society through innovative eye care models.

(vi) During the year the company has given a contribution of Rs. 6.50 million (2021-22: Nil) to subsidiary Lenskart Foundation which is a Section 8 registered Company under Companies Act, 2013 for the purpose of CSR. Company was required to spend Rs. 0.82 million as CSR obligation during the year and hence excess contribution of Rs. 5.68 million is recognised as a CSR asset which will be carried forward to next year and adjusted against future CSR obligation.



**32 Earnings per share (EPS)**

The calculation of basic earnings per share has been based on the following profit 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 equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended 31 March 2023	Year ended 31 March 2022
Profit attributable to equity shareholders (A)	1,377.70	55.55
Effect of dilution	-	-
Profit attributable to equity shareholders after adjusting the effect of dilution (B)	1,377.70	55.55
<b>Weighted-average number of equity shares</b>		
Number of equity shares and CCPS outstanding at the beginning of the year	15,07,84,984	14,46,82,840
Add: Weighted average number of equity shares issued (includes exercise of stock options)	65,85,413	39,35,609
<b>Weighted-average number of equity shares in calculating Basic EPS (C)</b>	<b>15,73,70,397</b>	<b>14,86,18,449</b>
<b>Effect of dilution:</b>		
Add: Weighted average number of share options outstanding	6,65,345	5,66,531
<b>Weighted average number of Equity shares adjusted for the effect of dilution (D)</b>	<b>15,80,35,742</b>	<b>14,91,84,980</b>
Nominal value per equity shares	2.00	2.00
Earnings per share - basic (A/C) (Rs.)	8.75	0.37
Earnings per share - diluted (A/D) (Rs.)	8.72	0.37

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33 Income tax

Reconciliation of tax expense and accounting profit

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Tax expense</b>		
Income tax expense	-	-
Income tax expense relating to previous period	8.47	-
Deferred tax charge/(credit)	(548.18)	-
Tax expense recognized in statement of profit and loss	(539.71)	-
<b>Accounting profit before tax</b>	<b>837.99</b>	<b>55.55</b>
Tax at applicable tax rate of 25.168% (31 March 2022: tax rate of 25.168%)	210.91	13.98
Tax effect of items not deductible in determining taxable profit	-	48.36
Impact of income taxed at differential rate	0.67	(39.30)
Effect of tax related to previous year (Income Tax)	8.47	-
Effect of deferred tax created on timing differences for earlier years	(758.54)	-
Unrecognized deferred tax on temporary differences*	-	8.96
Unrecognized deferred tax on losses	-	(18.02)
Others	-1.22	0.00
	<b>(539.72)</b>	<b>(0.00)</b>
	<b>0.01</b>	<b>0.00</b>

Deferred tax

	Balance sheet		Statement of Profit and loss	
	As at 31 March 2023	As at 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
<b>Deferred tax assets</b>				
Carried forward business losses and unabsorbed depreciation	170.81	-	170.81	-
Contract Liabilities	133.47	-	133.47	-
Lease liabilities	118.39	-	118.39	-
Property, plant and equipment, ROU and intangible assets	121.80	169.63	(47.83)	174.86
Provision for employee benefits	25.45	-	25.45	-
Provision for warranty	18.77	-	18.77	-
<b>Deferred tax liabilities</b>				
Other timing differences	(36.33)	9.65	(45.98)	-156.70
Change in fair value of investments	(4.18)	(179.28)	175.10	-18.16
<b>Deferred tax charge/ (credit)*</b>	<b>548.18</b>	<b>-</b>	<b>548.18</b>	<b>-</b>
<b>Net deferred tax assets*</b>	<b>548.18</b>	<b>-</b>	<b>548.18</b>	<b>-</b>

\* Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which they can be used. During the current year ended 31 March 2023, deferred tax has been recognized on all timing differences (including carry forward business losses and unabsorbed depreciation) to the extent there will be sufficient taxable profits against which such deferred tax asset can be realized.

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34 Employee benefit obligations

Particulars	As at 31 March 2023		As at 31 March 2022	
	Current	Non-current	Current	Non-current
Provision for gratuity	25.03	44.27	19.28	38.02
Provision for compensated absences	17.53	21.93	10.46	15.10
<b>Total</b>	<b>42.56</b>	<b>66.20</b>	<b>29.74</b>	<b>53.12</b>

A Gratuity- Unfunded

The Company has an unfunded defined benefit gratuity plan for qualifying employees. The scheme provide for lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five year of services. Every employee who has completed five years or more of services, gets a gratuity on departure at 15 days basic salary (last drawn) for each completed year of service on terms not less favourable than the provisions of the payment of Gratuity Act, 1972.

The following tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss and the status and amounts recognized in the balance sheet for the plan.

Disclosure of gratuity

(i) Amount recognised in the statement of profit and loss is as under:

Description	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	15.47	11.80
Interest cost	2.85	2.24
Actuarial loss recognised during the year (recognised in other comprehensive income)	6.03	2.10
<b>Amount recognised in the statement of profit and loss</b>	<b>24.35</b>	<b>16.14</b>

(ii) Movement in the liability recognised in the balance sheet is as under:

Description	As at 31 March 2023	As at 31 March 2022
Present value of defined benefit obligation as at the start of the year	57.30	49.86
Current service cost	15.47	11.80
Interest cost	2.85	2.24
Actuarial loss recognised during the year	6.03	2.10
Liability transferred	(0.62)	(0.18)
Benefits paid	(11.73)	(8.52)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>69.30</b>	<b>57.30</b>

(iii) Breakup of actuarial loss:

Description	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial loss on arising from change in demographic assumption	-	-
Actuarial loss on arising from change in financial assumption	(4.11)	(0.78)
Actuarial loss on arising from experience adjustment	10.14	2.88
<b>Total actuarial loss</b>	<b>6.03</b>	<b>2.10</b>

(iv) Actuarial assumptions

Description	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate	7.15%	5%
Retirement age	58 years	58 years
Employee attrition rate	40%	40%
Rate of increase in compensation	7%	7%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(v) Sensitivity analysis for gratuity liability

Description	Year ended 31 March 2023	Year ended 31 March 2022
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	69.30	57.30
- Impact due to increase of 1 %	(1.77)	(1.51)
- Impact due to decrease of 1 %	1.86	1.59
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	69.30	57.30
- Impact due to increase of 1 %	0.99	1.38
- Impact due to decrease of 1 %	(1.58)	(1.35)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(vi) Maturity profile of defined benefit obligation (undiscounted)

As at 31 March 2023, the weighted average duration of defined benefit obligation (based on discounted cashflow) was 2 years (31 March 2022: 2 years).

Description	As at 31 March 2023	As at 31 March 2022
Within next 12 months	25.03	19.28
Between 2-5 years	47.92	38.33
Between 6-10 years	10.74	7.71
Beyond 10 years	1.20	0.88





**B Compensated absences**

The liability for compensated absences cover the Company's liability for Leave (as per Company Policy). The amount of the provision presented as current represents the leaves over which the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next twelve months.

Compensated absences	As at 31 March 2023	As at 31 March 2022
Current	17.53	10.46
Non current	21.93	15.10

**C Provident fund**

Contribution made by the Company during the year is Rs. 59.09 million (31 March 2022: Rs. 57.25 million).

**D Employee stock option plan**

The Company has instituted an Employee Stock Option Scheme in the year 2012, known as 'VALYOO ESOP 2012'. This Scheme was adopted by the Board of Directors on 9 October 2012. This Scheme was amended in the Extra ordinary General Meeting held on 27 September, 2021 and was also renamed as Lenskart Employee Stock Option Plan, 2021 ("ESOP Scheme"). Subsequent to year end the company incorporated Employee Stock Option Trust. Total number of options outstanding as on 31 March 2023 are 993,562 (31 March 2022: 839,614). These options are convertible into equal number of equity shares of the par value of Rs. 2 each. The scheme has been described below:

Grant month	As at 31 March 2023		As at 31 March 2022	
	Number of options outstanding	Contractual life	Number of options outstanding	Contractual life
Dec-12	13,000	4 years	13,000	4 years
Jul-14	30,440	4 years	30,440	4 years
Oct-14	4,000	4 years	4,000	4 years
Jan-15	6,500	4 years	6,500	4 years
Jun-15	12,000	4 years	12,000	4 years
Aug-15	2,800	4 years	2,800	4 years
Nov-15	50,000	4 years	50,000	4 years
May-16	20,220	4 years	20,220	4 years
Dec-16	8,800	4 years	8,800	4 years
Apr-17	1,86,125	4 years	1,86,125	4 years
Sep-17	3,000	4 years	3,000	4 years
Dec-17	20,000	4 years	20,000	4 years
Apr-18	55,500	4 years	55,500	4 years
Dec-18	58,180	4 years	58,180	4 years
Jan-19	30,000	4 years	30,000	4 years
Feb-19	1,200	4 years	1,200	4 years
Apr-19	19,100	4 years	19,100	4 years
Jul-19	10,000	4 years	10,000	4 years
Aug-19	15,000	4 years	15,000	4 years
Sep-19	22,000	4 years	22,000	4 years
Jan-20	16,000	4 years	40,000	4 years
May-20	6,700	4 years	7,500	4 years
Jul-20	13,000	4 years	25,000	4 years
Aug-20	2,200	4 years	4,000	4 years
Sep-20	5,000	4 years	5,000	4 years
Oct-20	5,000	4 years	5,000	4 years
Nov-20	2,000	4 years	2,000	4 years
Dec-20	22,000	4 years	22,000	4 years
Jan-21	4,000	4 years	4,000	4 years
Mar-21	2,000	4 years	2,000	4 years
Apr-21	20,000	4 years	45,000	4 years
May-21	1,000	4 years	1,000	4 years
Jul-21	13,000	4 years	13,000	4 years
Aug-21	2,200	4 years	2,200	4 years
Oct-21	18,000	4 years	18,000	4 years
Nov-21	29,649	4 years	32,649	4 years
Dec-21	16,000	4 years	18,000	4 years
Jan-22	9,900	4 years	9,900	4 years
Feb-22	25,500	4 years	15,500	4 years
Apr-22	21,500	4 years	-	-
May-22	27,000	4 years	-	-
Jun-22	9,575	4 years	-	-
Jul-22	16,000	4 years	-	-
Aug-22	68,773	4 years	-	-
Sep-22	4,500	4 years	-	-
Nov-22	15,000	4 years	-	-
Dec-22	15,800	4 years	-	-
Jan-23	21,500	4 years	-	-
Feb-23	3,900	4 years	-	-
Mar-23	9,000	4 years	-	-
	<b>9,93,562</b>		<b>8,39,614</b>	

**Vesting pattern (%)**

The options shall not vest at any time prior to expiry of two years from the date of grant of options, unless otherwise determined by the Board. The vesting schedule of the options would normally be as under:

Description	% to be vested
Cliff* (2 Year anniversary)	-
At the end of 1st year from grant date	-
At the end of 2nd year from grant date	40%
At the end of 3rd year from grant date	25%
At the end of 4th year from grant date	35%

\* Cliff is an initial minimum period of service required for any stocks to vest. On completion of this period, vesting occurs for the full cliff period.





**Reconciliation of outstanding share options**

The number and weighted average exercise price of share options under ESOP scheme 2021 are as follows:

Description	As at 31 March 2023		As at 31 March 2022	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	8,39,614	117.95	8,07,905	238.68
Add: New options granted during the year	2,23,548	1455.76	1,59,749	813.61
Less: Exercised during the year	-	-	68,450	165.77
-Settled during the year	-	-	6,920	127.26
-Lapsed during the year	69,600	590.90	52,670	355.24
Options outstanding at the end of the year	9,93,562	584.88	8,39,614	117.95
Options exercisable at the end of the year	5,79,890	205.65	3,56,885	253.08
Weighted average remaining contractual life of the options outstanding	1.85 years		1.14 years	
Range of exercise price for outstanding options	Rs. 22 to Rs. 1,839 per option		Rs. 22 to Rs. 900 per option	

The fair value of options has been measured using Black-scholes option pricing model. Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instrument has been based on historical experience and general option holder behaviour.

The fair value of the options and the inputs used in the measurement of the grant-date fair values of options are as follows:

Particulars	Grant period	Year ended 31 March 2023	Year ended 31 March 2022
Weighted average fair value at grant date	01 April 21 to 31 May 21		Rs 290.8
	01 June 21 to 31 January 22		Rs 433.7
	01 April 22 to 31 October 22	512.70	
	01 November 22 to 15 January 23	630.00	
	16 January 23 to 31 March 23	501.00	
Weighted average share price at grant date	01 April 21 to 31 May 21		Rs 600
	01 June 21 to 31 January 22		Rs 900
	01 April 22 to 31 October 22	1,219.75	
	01 November 22 to 31 March 23	1,386.82	
Weighted average exercise price at grant date	01 April 21 to 31 May 21		Rs 600
	01 June 21 to 31 January 22		Rs 900
	01 April 22 to 31 October 22	1,398.00	
	01 November 22 to 31 March 23	1,839.00	
Dividend yield (%)		-	-
Expected life ( number of years)		4 years	4 years
Risk free interest rate (%)		7.40%	5.70%
Expected volatility (%)		49.50%	55%

**Expense recognised in the statement of profit and loss**

For details of expense recognised in statement of profit and loss during the year, refer note 28.

E The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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35 Capital and other commitments:

Particulars	As at 31 March 2023	As at 31 March 2022
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	1,183.25	806.81
b) Outstanding export obligation to be fulfilled over a period of 6 years, from respective date of import, under the EPCG scheme against import of plant and machinery#	1,211.68	538.40

# in the absence of fulfilment of the related export obligation, the Company will be liable to pay the amount of duty saved along with interest.

c) Lenskart Eyetech Private Limited (herein after referred to as "LE") is wholly owned subsidiary of Lenskart Solutions Private Limited. The Company is aware of the financial situation of the LE, which has been reported in statutory financial statements of the Company as of 31 March 2023. The Company has confirmed parent support by way of financial, operational, infrastructure and manpower support, which will be reviewed on periodical basis. Company has affirmed that the parent support already given by way of equity investment as and when required in order to enable LE to continue its business on going concern basis.

36 Contingent liabilities

A. The Company has received a re-assessment order from income tax authorities wherein department noted certain unexplained cash credits for AY 2013-14 amounting to Rs. 192.17 million (31 March 2022: 192.17 million). This has not been acknowledged as claims. Based on internal assessment and independent advice taken from tax experts, the Company is of the view that liability, if any, is not significant. The income tax authorities has deducted Rs 96.89 million (31 March 2022: 40.28 million) from the income tax refundable due to the Company.

B. During the year ended 31 March 2022, certain notices were issued to the Company by GST Intelligence Department, requiring the Company to furnish category wise details of the sales made from inception of GST i.e. July 2017 till date, especially w.r.t Zero Power glasses (or "such glasses"). Such glasses were being sold @ 12% GST, however, the GST authorities are of the view that such spectacles with zero power lenses are taxable @ 18%. Basis legal opinion sought further supported by facts of the case and underlying documents, the management is of the view that zero power glasses are correctly chargeable to GST@12%. To pursue the matter further, the Company has deposited an amount of Rs 105.94 million under protest through utilization of its GST input credit. A refund has been applied in due course, which is being contested through legal action in the court of law. The Company is also currently in discussions with the tax authorities for verification of such amounts paid and closure of the proceedings.

In relation to the same issue, the Company has also deposited Rs 10.63 million which is the differential 6% tax on imports of computer glasses and zero power spectacles done till April 2022 (wherein GST is payable on a self-declaration basis). The Company is currently in discussions with the tax authorities for verification of such amounts paid and closure of the proceedings to also evaluate litigation if needed based on the final outcome of the proceedings.

37 Leases

The Company has lease contracts for various properties (including leasehold land, office buildings and stores) used in the normal course of business.

- Leasehold land is a lease executed with Rajasthan State Industrial Development and Investment Corporation Ltd. ("RIICO") for a period of 99 years.
- Lease of building generally have lease term between 5 to 15 Years.

The Company's obligation under its leases are secured by the lessor's title to the leased asset. Such leases are recognised as right to use asset. Further, out of such properties, there are certain property leases further given on sub lease and classified as Investment property in the financial statements.

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

(A) As Lessee

The changes in the carrying value of ROU assets for the year ended 31 March 2023 and 31 March 2022 are as follows:

Particulars	31 March 2023		31 March 2022	
	Leasehold land	Other leased properties	Leasehold land	Other leased properties
Balance as at beginning of the year	361.50	3,557.77	365.50	1,222.70
Additions	-	3,348.97	-	2,688.02
Deletion	-	(101.74)	-	-
Adjustment on account of modification	-	-	-	(122.59)
Depreciation	(4.00)	(651.26)	(4.00)	(230.36)
<b>Balance as at end of the year</b>	<b>357.50</b>	<b>6,153.75</b>	<b>361.50</b>	<b>3,557.77</b>
Of which				
Investment property (refer note 3C other than leasehold improvements, office equipments & furniture and fixtures)	-	5,800.95	-	3,439.94
Right to use asset (Other than classified in note 3C)	357.50	352.80	361.50	117.83
Depreciation on right to use asset (Other than classified in note 3C)	4.00	77.19	4.00	28.32

The aggregate depreciation expense on ROU asset is included under depreciation and amortization expense in the statement of profit and loss. Refer note 29.



The movement in lease liabilities during the year ended 31 March 2022 are as follows:

Particulars	31 March 2023	31 March 2022
Balance as at beginning of the year	3,656.30	1,253.11
Additions during the year	3,247.75	2,634.37
Finance cost accrued during the period	400.88	178.04
Deletions	(107.88)	-
Adjustment on account of modification	-	(122.59)
Payment of lease liabilities	(736.85)	(286.62)
<b>Balance as at end of the year</b>	<b>6,460.20</b>	<b>3,656.30</b>
Of which		
Current lease liabilities	544.57	357.95
Non- Current lease liabilities	5,915.63	3,298.35

The effective interest rate for lease liabilities is 8.07% (31 March 2022: 7.50%).

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation expense on right of use assets	655.26	234.36
Interest expense on lease liabilities	400.88	178.04
Expense relating to short term lease (Included in other expense)*	86.64	39.56
Gain on termination of leases	8.98	-
	<b>1,151.76</b>	<b>451.96</b>

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

Details of the contractual maturity of lease liabilities as at 31 March 2023 on an undiscounted basis are as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Not later than one year	1,033.58	548.33
Later than one year but not later than five years	4,076.60	2,137.42
Later than five years	4,009.72	2,540.39

(B) As Lessor

The Company has certain properties given on sublease classified as Investment property in the financial statements.

Sub-lease payments received**	839.67	291.93
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\*\* CAM charges received not included in sub lease income

All leases can be terminated by either of the parties during the term, hence considered as cancellable and accordingly, no lease disclosure given as required by Ind AS 116 'Leases'.

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38. 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 2023.

(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 2023	As at 31 March 2022
<b>Financial assets<sup>^</sup></b>			
Investments- in mutual funds	FVTPL**	7,514.21	10,229.64
Investments- in preference shares	FVTPL**	127.18	104.27
Investment in common class shares of Ditto Technologies Inc., USA	FVTPL**	-	3.81
Investment in CPN (refer note 5(x))	Amortised cost	2.67	37.07
Investments- in fixed deposits*	Amortised cost	14,614.16	10,592.41
Trade receivables*	Amortised cost	2,111.77	1,049.55
Cash and cash equivalents*	Amortised cost	611.62	63.50
Bank balances other than cash and cash equivalents*	Amortised cost	-	639.69
Loans*	Amortised cost	2,862.32	1,426.16
Other financial assets*	Amortised cost	3,083.70	2,391.90
<b>Total financial assets</b>		<b>30,927.64</b>	<b>26,538.00</b>
<b>Financial liabilities</b>			
Borrowings	Amortised cost	6,028.24	190.07
Trade payables#	Amortised cost	3,634.02	1,590.25
Lease liabilities	Amortised cost	6,460.20	3,656.28
Other financial liabilities#	Amortised cost	1,004.60	287.38
<b>Total financial liabilities</b>		<b>17,127.06</b>	<b>5,723.98</b>

<sup>^</sup> Investment in equity shares of subsidiaries and Joint venture is not included as the same is carried at cost.

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

\*\* Fair value through profit and loss account

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

(iii) Financial assets measured at fair value-recurring fair value measurements

	Level	As at 31 March 2023	As at 31 March 2022
<b>Financial assets at fair value through profit and loss</b>			
Investments- in mutual funds	Level 1	7,514.21	10,229.64
Investments- in preference shares	Level 3	127.18	104.27
Investment in common class shares of Ditto Technologies Inc., USA	Level 3	-	3.81

(iv) 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:

- Income approach - Discounted cash flows ("DCF") method
- Market approach - Enterprise value/Sales multiple method



(v) Valuation inputs and relationship to fair values

Key inputs	As at 31 March 2023	As at 31 March 2022
<b>Financial assets</b>		
<b>Unquoted preference shares- Ditto Technologies Inc.</b>		
Valuation technique	-	Based on the Market approach
Revenue multiple	-	-
DLOM	-	-
Incremental probability factor for Earnout payment	-	0.62
Discount rate	-	4.25%
<b>Common class shares- Ditto Technologies Inc.</b>		
Valuation technique	-	Based on the Market approach
Revenue multiple	-	-
DLOM	-	-
Incremental probability factor for Earnout payment	-	0.62
Discount rate	-	4.25%
<b>Unquoted preference shares- Adloid Technologies Private Limited</b>		
Valuation technique	Based on the Income approach	Based on the Market approach
Revenue multiple	-	6.0x
DLOM	-	-
Discount rate	40.0%	-
Long term sustainable growth rate	5.0%	-
<b>Unquoted preference shares- Thinkerbell Labs Private Limited</b>		
Valuation technique	Based on the Income approach	-
Long term sustainable growth rate	4.0%	-
Discount rate	20.0%	-

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(vi) Sensitivity analysis

For the fair values of financial assets, reasonable possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following impact:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Impact on profit before tax</b>		
<b>Investment in Unquoted preference shares - Ditto Technologies Inc.</b>		
<b>Incremental probability factor for Earnout payment - Ditto Technologies Inc.</b>		
Increase by 0.05 points	-	3.01
Decrease by 0.05 points	-	(3.55)
<b>Discount rate - Ditto Technologies Inc.</b>		
Increase by 5%	-	2.28
Decrease by 5%	-	(2.28)
<b>Investment in Unquoted preference shares - Adloid Technologies Private Limited</b>		
<b>Revenue Multiple</b>		
Increase by 0.1x	-	1.04
Decrease by 0.1x	-	(1.04)
<b>Discount for lack of marketability (DLOM)</b>		
Increase by 5%	-	3.13
Decrease by 5%	-	(3.13)
<b>Discount rate</b>		
Increase by 5%	(4.31)	-
Decrease by 5%	5.75	-
<b>Long term sustainable growth rate</b>		
Increase by 1%	0.88	-
Decrease by 1%	(0.83)	-
<b>Unquoted preference shares- Thinkerbell Labs Private Limited</b>		
<b>Discount rate</b>		
Increase by 5%	(0.42)	-
Decrease by 5%	0.81	-
<b>Long term sustainable growth rate</b>		
Increase by 1%	0.12	-
Decrease by 1%	(0.10)	-

(vii) The following table presents the changes in level 3 items for the year ended 31 March 2023 and 31 March 2022:

Particulars	Financial assets
<b>As at 1 April 2021</b>	<b>96.46</b>
Net change in fair value of financial assets measured at FVTPL	(40.94)
Purchase of financial assets	62.56
Classification of financial assets classified as FVTPL, now carried at cost	(10.00)
<b>As at 31 March 2022</b>	<b>108.08</b>
Net change in fair value of financial assets measured at FVTPL	28.58
Sale of financial assets (refer note 5(viii))	(62.34)
Purchase of financial assets (refer note 5(vi))	3.60
Conversion of loan into shares (refer note 5(xi))	49.26
<b>As at 31 March 2023</b>	<b>127.18</b>

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### 39. Financial risk management

The Company's principal financial liabilities comprise loans and 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 and 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 2023 and 31 March 2022. The Company has not acquired any credit impaired asset. There was no modification in any financial assets.

The Company's exposure to credit risk for trade receivables from related and other than related parties are as follows:

	As at 31 March 2023	As at 31 March 2022
Receivables from related party	387.03	220.05
Receivables from other than related party	1,724.74	829.50
	<b>2,111.77</b>	<b>1,049.55</b>

#### 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 receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

#### (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.

#### (i) Financing arrangements

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Fixed interest rate borrowings</b>		
- Expiring within one year	2,870.00	-
- Expiring beyond one year	-	-
<b>Float interest rate borrowings</b>		
- Expiring within one year	103.49	-
- Expiring beyond one year	2,629.51	-
<b>Borrowings (at fair value)</b>	5,603.00	-

#### 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
<b>As at 31 March 2023</b>				
Borrowings	3,398.73	1,530.95	1,098.56	6,028.24
Trade payables	3,579.65	54.36	-	3,634.02
Lease liabilities	1,033.58	4,076.60	4,009.72	9,119.90
Other financial liabilities	1,004.60	-	-	1,004.60
<b>Total</b>	<b>9,016.57</b>	<b>5,661.91</b>	<b>5,108.28</b>	<b>19,786.76</b>
<b>As at 31 March 2022</b>				
Borrowings	190.07	-	-	190.07
Trade payables	1,590.25	-	-	1,590.25
Lease liabilities	548.33	2,137.42	2,540.39	5,226.14
Other financial liabilities	287.38	-	-	287.38
<b>Total</b>	<b>2,616.03</b>	<b>2,137.42</b>	<b>2,540.39</b>	<b>7,293.84</b>



**(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 2023 and 31 March 2022. 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 2023 and 31 March 2022.

**(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.

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

	Currency	As at 31 March 2023		As at 31 March 2022	
		Amount in Foreign Currency Million	Rs. Million	Amount in Foreign Currency Million	Rs. Million
<b>Financial assets</b>					
Trade receivables	SGD	5.72	353.77	3.68	206.29
Loan to subsidiary	SGD	46.30	2,862.31	25.04	1,402.86
Other receivables	SGD	7.19	444.80	4.66	260.84
Trade receivables	IDR	1,055.83	5.80	-	-
Trade receivables	USD	0.07	6.07	-	-
Trade receivables	AED	0.96	21.39	0.66	13.75
Other receivables	AED	2.98	66.60	2.02	41.79
Advances to suppliers & Capital Advances	CNY	1.45	17.30	-	-
Advances to suppliers & Capital Advances	EUR	2.65	237.23	-	-
Advances to suppliers & Capital Advances	GBP	0.00	0.44	-	-
Advances to suppliers & Capital Advances	JPY	96.72	59.76	-	-
Advances to suppliers & Capital Advances	SGD	0.02	1.29	-	-
Advances to suppliers & Capital Advances	USD	1.93	158.92	-	-
<b>Financial liabilities</b>					
Trade & other payables	EURO	1.96	174.84	0.48	40.39
Trade & other payables	USD	5.49	451.12	1.72	130.81
Trade & other payables	CNY	88.75	1,059.44	18.57	221.83
Trade & other payables	JPY	119.26	73.69	84.52	51.56
Trade & other payables	SGD	0.97	60.23	0.00	0.23
Trade & other payables	RMB	-	-	6.35	75.81

The following exchange rates have been applied:

	As at 31 March 2023	As at 31 March 2022
EURO	89.39	84.06
USD	82.17	75.91
CNY	11.94	11.95
JPY	0.62	0.61
SGD	61.82	56.02
IDR	0.01	0.01
RMB	11.94	11.95
GBP	101.47	99.15
AED	22.38	20.68

**Sensitivity analysis**

The sensitivity of profit or loss to change in the exchange rates arises mainly from foreign currency denominated financial instruments. The impact on profit/ loss before tax is as below:

	As at 31 March 2023	As at 31 March 2022
<b>SGD Sensitivity</b>		
INR/SGD Increase by 1%	36.02	(18.70)
INR/SGD Decrease by 1%	(36.02)	18.70
<b>EURO Sensitivity</b>		
INR/EUR Increase by 1%	(1.75)	0.40
INR/EUR Decrease by 1%	1.75	(0.40)
<b>USD sensitivity</b>		
INR/USD increase by 1%	(2.86)	1.31
INR/USD Decrease by 1%	2.86	(1.31)
<b>CNY Sensitivity</b>		
INR/CNY Increase by 1%	(10.42)	2.22
INR/CNY Decrease by 1%	10.42	(2.22)
<b>JPY Sensitivity</b>		
INR/JPY Increase by 1%	(0.14)	0.52
INR/JPY Decrease by 1%	0.14	(0.52)
<b>RMB Sensitivity</b>		
INR/RMB Increase by 1%	0.00	0.76
INR/RMB Decrease by 1%	0.00	(0.76)
<b>IDR Sensitivity</b>		
INR/IDR Increase by 1%	0.06	0.00
INR/IDR Decrease by 1%	(0.06)	0.00
<b>AED Sensitivity</b>		
INR/AED Increase by 1%	0.88	0.00
INR/AED Decrease by 1%	(0.88)	0.00
<b>GBP Sensitivity</b>		
INR/GBP Increase by 1%	0.00	0.00
INR/GBP Decrease by 1%	(0.00)	0.00



**(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:

The Company's outstanding borrowings as at the end of reporting period is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings with floating interest rate	2,733.00	-
Borrowings with fixed interest rate	2,870.00	-
Working capital loans	425.24	190.07

**Sensitivity analysis**

The sensitivity of profit or loss to change in the interest rates on the borrowings with floating interest rates. The impact on profit/ loss before tax is as below:

Particulars	As at 31 March 2023	As at 31 March 2022
Interest Increase by 5 bps	0.37	-
Interest decrease by 5 bps	(0.37)	-

**(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.

**Sensitivity**

**Impact on profit before tax**

Particulars	As at 31 March 2023	As at 31 March 2022
Mutual funds carried at fair value through profit or loss		
Net assets value – increase by 1%	75.14	102.30
Net assets value – decrease by 1%	(75.14)	(102.30)

**40. 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 2023 and 31 March 2022.

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Lenskart Solutions Private Limited

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Notes to Standalone financial statements for the year ended 31 March 2023

(All amounts in Rs. in million unless otherwise stated)

**41 Related party disclosures**

**i Subsidiary**

Lenskart EyeTech Private Limited (wholly owned)

Lenskart Foundation (wholly owned)

Lenskart Solutions Pte. Ltd. And its wholly owned subsidiaries:

- Lenskart Solutions INC
  - Lenskart Optical Trading LLC
  - Lenskart Solutions FZCO
  - Lenskart Solutions Company Limited
  - Lenskart Solutions Sdn. Bhd.
  - PT Lenskart Solutions (Indonesia)
  - Thai Eyewear Company Limited
  - Lenskart Solutions (Thailand) Company Limited
  - MLO K.K w.e.f. 10 August 2022
  - Owndays Inc. w.e.f. 10 August 2022
  - Owndays Singapore Pte. Ltd. w.e.f. 10 August 2022
  - Owndays Co., Ltd w.e.f. 10 August 2022
  - Owndays Taiwan Ltd w.e.f. 10 August 2022
  - Owndays Downunder Pty Ltd w.e.f. 10 August 2022
  - Owndays Hong Kong Limited w.e.f. 10 August 2022
  - Owndays Tech & Media (Thailand) Co., Ltd w.e.f. 10 August 2022
  - Owndays Malaysia Sdn. Bhd. w.e.f. 10 August 2022
  - Owndays (Thailand) Co., Ltd. w.e.f. 10 August 2022
- Neso Brands Pte. Ltd.

**ii Key management personnel**

Mr. Peyush Bansal- Director

Ms. Neha Bansal- Director

Mr. Smeer Chopra- Chief Financial Officer till 16 Decemeber 2022

Mrs. Mukti Hariharan- Chief Financial Officer w.e.f 04 April 2023

**iii Joint Venture**

Baofeng Framekart Technology Limited

Owndays India Private Limited w.e.f. 31 Decemeber 2022

**iv Associate**

Tango IT Solutions India Private Limited

QuantDuo Technologies Private Limited w.e.f. 12 May 2022

*(This space has been intentionally left blank)*





v Transactions with related parties during the year

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Key managerial personnel</b>		
Short-term employee benefits*	82.66	84.61
<b>Subsidiary</b>		
<b>Lenskart Eyetech Private Limited</b>		
Training Expense	170.62	-
Receipt of loan given (principal and interest)	21.00	-
Statutory payments on behalf of company	4.05	-
Interest income on loan	-	0.13
Loan given during the year	-	20.87
<b>Lenskart Solutions Pte. Ltd.</b>		
Sale of goods	309.96	370.20
Sale of consumables	8.94	5.32
Reimbursement of expenses	34.19	158.37
Sale of Property, plant and equipment	5.70	15.70
Management fees	88.79	11.73
Expenses incurred on behalf of the Company	13.16	-
Loan given during the year	1,070.08	939.75
Interest income on loan	132.83	61.57
<b>Lenskart Foundation</b>		
Repayment received of loan given (principal and interest) treated as contribution expenses	2.24	-
Contribution towards corporate social responsibility obligation	6.50	-
Statutory payments on behalf of company	0.25	-
Interest income on loan	-	0.06
Loan given during the year	-	2.24
<b>Lenskart Optical Trading LLC</b>		
Sale of goods	67.49	9.30
Sale of consumables	0.33	3.13
Sale of CWIP	-	18.28
Sale of Property, plant and equipment	4.76	-
Reimbursement of expenses	15.50	23.51
Management fees	-	1.32
<b>Lenskart Solutions INC</b>		
Expenses incurred on behalf of the Company	106.88	59.41
Reimbursement of expenses	0.20	2.00
Management fees	-	4.10
Sale of goods	6.07	-
<b>PT Lenskart Solutions (Indonesia)</b>		
Sale of goods	5.29	-
Sale of consumables	0.20	-
Sale of Property, plant and equipment	0.09	-
Reimbursement of expenses	0.03	-

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**Lenskart Solutions Private Limited**

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Notes to Standalone financial statements for the year ended 31 March 2023

(All amounts in Rs. in million unless otherwise stated)

<b>Neso Brands Pte. Ltd.</b>		
Reimbursement of expenses	-	0.44
Loan given during the year at amortised cost	62.05	
Management fees	16.90	
Interest income on loan	3.06	
<b>Joint Venture</b>		
<b>Baofeng Framkart Technology Limited</b>		
Purchase of goods	941.36	615.14
<b>Associate</b>		
<b>Tango IT Solutions India Private Limited</b>		
Legal and professional fees	-	1.79
<b>QuantDuo Technologies Private Limited</b>		
Software Expenses	0.96	-

\*Compensation of the Company's key management personnel includes salaries, non-cash benefits. Provision for gratuity and compensated absences is computed for the Company as a whole and has not been included above.

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

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Key managerial personnel</b>		
Remuneration Payable	18.37	19.50
<b>Lenskart Eyetech Private Limited</b>		
Loan Receivable at amortised cost	-	21.00
Advances	4.31	
<b>Lenskart Foundation</b>		
Loan Receivable at amortised cost	-	2.30
Advances	0.25	
<b>Baofeng Framkart Technology Limited</b>		
Advance to suppliers		62.98
Trade Payable	71.04	
<b>Lenskart Solutions Pte. Ltd.</b>		
Trade Receivable	353.77	206.29
Loan Receivable at amortised cost	2,791.25	1,402.86
Other receivables (Net of payables)	425.99	260.84
<b>Lenskart Optical Trading LLC</b>		
Trade receivable	21.39	13.75
Other receivable	66.60	41.79
<b>Lenskart Solutions INC</b>		
Other Payable (Net of other receivable)	163.55	53.31
Trade Receivable	6.07	
<b>PT Lenskart Solutions (Indonesia)</b>		
Trade Receivable	5.80	
<b>Neso Brands Pte. Ltd.</b>		
Other receivable	18.82	0.44
Loan Receivable at amortised cost	71.06	



42 Revenue from operations

a) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from operations:

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Types of goods or services</b>		
Sale of goods	22,333.07	13,598.91
Sale of services	462.18	426.79
<b>Total revenue from operations</b>	<b>22,795.26</b>	<b>14,025.70</b>
<b>India</b>	<b>22,318.79</b>	<b>13,514.13</b>
<b>Outside India</b>	<b>476.47</b>	<b>511.57</b>
<b>Total Revenue from operations</b>	<b>22,795.26</b>	<b>14,025.70</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	22,333.07	13,598.91
Services recognised over time	450.00	412.96
Services recognised at point in time	12.18	13.83
<b>Total Revenue recognised from operations</b>	<b>22,795.26</b>	<b>14,025.70</b>

b) Contract balances:

	As at 31 March 2023	As at 31 March 2022
Trade receivables	2,111.77	1,049.55
Contract liabilities	805.31	539.55

Trade Receivables are non interest bearing. In 31 March 2023, Rs. 28.86 millions (31 March 2022: Rs. 28.86 millions) was recognised as provision for doubtful trade receivables.

c) Right of return assets and refund liabilities:

	As at 31 March 2023	As at 31 March 2022
Refund liabilities	23.44	13.00

d) Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue as per contracted price	22,853.00	14,109.60
<b>Adjustments for</b>		
Refund liabilities	57.74	83.91
Revenue from operations	<b>22,795.26</b>	<b>14,025.70</b>

e) Performance obligation:

**Sale of goods**

The performance obligation is satisfied upon delivery of the goods. The Company also provides one year warranty which has been provided for as per applicable Ind AS.

**Sale of Services**

The performance obligation has been satisfied over a period of one year and payment has been received in advance from customer.

f) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	471.29	402.94
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-



**43 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006")**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum number as allocated after filling the Memorandum. Based on the information received and available with the Company, there are no dues outstanding to micro and small enterprises (Suppliers) other than covered below under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March 2023 and 31 March 2022.

**Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
Principal amount remaining unpaid	88.95	73.44
Interest due on above	0.64	0.35
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.64	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	0.64	-

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44 Transactions with struck off companies

The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at 31 March 2023:

Name of struck off company	Nature of transactions with struck off Company	Balance outstanding as on 31 March 2023	Balance outstanding as on 31 March 2022*	Relationship with the Struck off company
Zoom Facilities Private Limited	Services availed	(0.67)	0.00	External Vendor
Genius Consultants Private Limited	Services availed	0.00	(0.50)	External Vendor
Aos Style Bazaar Private Limited	Services availed	(0.07)	0.00	External Vendor
Phoenix Marketing Private Limited	Services availed	(0.01)	(8.69)	External Vendor
G. K. Motel Private Limited	Services availed	0.00	(0.08)	External Vendor

\*(-) for external customer means advance from customers and external vendor means trade payables.  
 #Balance in absolute terms less than Rs 10,000.

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**45 Other statutory information:**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company ("funding party") has given an additional loan and invested funds aggregating of Rs 26,445.77 million during the current year (Rs 224.21 million on 22 April 2022, Rs 845.86 million on 17 June 2022 and Rs 25,375.69 million on 02 August 2022 ) to Lenskart Solutions Pte. Ltd. (wholly owned subsidiary) towards investment and lending funds in newly incorporated entities as its step down and for its business expansion. These entities have been set up to expand the Group's business in the global markets. Details of funds advanced by Lenskart Solutions Pte. Ltd. to the step down subsidiaries are as follows:

Name of entity	Country of incorporation	Date of funds transfer	Form of investment	Amount(in million)
LENSKART SOLUTIONS INC.	United States	27-04-2022	Investment in equity shares	25.80
LENSKART SOLUTIONS INC.	United States	05-05-2022	Investment in equity shares	24.85
LENSKART SOLUTIONS INC.	United States	25-05-2022	Investment in equity shares	17.13
LENSKART SOLUTIONS INC.	United States	22-06-2022	Investment in equity shares	43.41
LENSKART SOLUTIONS INC.	United States	28-06-2022	Investment in equity shares	51.84
Owndays INC	Japan	10-08-2022	Investment in equity shares	25,128.40
LENSKART OPTICAL TRADING LLC	UAE	27-04-2022	Loan to subsidiary	31.02
LENSKART OPTICAL TRADING LLC	UAE	26-05-2022	Loan to subsidiary	12.87
LENSKART OPTICAL TRADING LLC	UAE	22-06-2022	Loan to subsidiary	18.55
LENSKART OPTICAL TRADING LLC	UAE	28-06-2022	Loan to subsidiary	43.28
LENSKART OPTICAL TRADING LLC	UAE	12-08-2022	Loan to subsidiary	24.73
LENSKART SOLUTIONS FZCO	UAE	12-08-2022	Loan to subsidiary	1.24
LENSKART OPTICAL TRADING LLC	UAE	30-08-2022	Loan to subsidiary	18.55
LENSKART OPTICAL TRADING LLC	UAE	30-08-2022	Loan to subsidiary	6.17
LENSKART OPTICAL TRADING LLC	UAE	26-09-2022	Loan to subsidiary	24.73
LENSKART OPTICAL TRADING LLC	UAE	23-11-2022	Loan to subsidiary	12.36
LENSKART OPTICAL TRADING LLC	UAE	05-12-2022	Loan to subsidiary	18.55
LENSKART OPTICAL TRADING LLC	UAE	22-12-2022	Loan to subsidiary	12.36
LENSKART OPTICAL TRADING LLC	UAE	25-01-2023	Loan to subsidiary	12.36
LENSKART OPTICAL TRADING LLC	UAE	21-02-2023	Loan to subsidiary	30.91
LENSKART OPTICAL TRADING LLC	UAE	21-02-2023	Loan to subsidiary	37.09
LENSKART OPTICAL TRADING LLC	UAE	23-02-2023	Loan to subsidiary	24.73
				25,620.94

The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), to the extent applicable, the Companies Act, 2013 for these transactions and these transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003). Except for the above, the Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (v) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- (viii) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

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46 Ratios

S. No	Particulars	Measurement unit	FY 21-22		FY 22-23		FY 21-22		Year ended 31 March 2023	Year ended 31 March 2022	% of Variance	Reason for variance
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator				
1	Current Ratio	Times	Current assets	Current liabilities	32,984.47	9,555.00	21,001.50	3,074.93	3.45	0.83	-49.46%	Current ratio declined owing to higher share of long term investments as compared to previous year and optimisation of overall credit period.
2	Debt - Equity ratio	Times	Debt (including lease liabilities)	Shareholder's equity	12,488.44	58,002.15	3,840.37	31,602.22	0.22	0.12	73.54%	Debt-equity ratio has gone up with advent of loans for business expansion. Overall ratio is quite optimal and Company will capitalise to meet its loan liabilities.
3	Debt Service coverage ratio	Times	Earnings available for debt service (Net profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + Other adjustments like Preference dividend (if any))	Debt service (Interest & Lease Payments + Principal Repayments)	3,231.29	1,950.88	862.84	297.88	1.66	2.90	-42.82%	Debt service ratio has declined due to increased debt service payments on account of loans taken for business expansion.
4	Return on Equity ratio	Percentage	Net Profit after taxes - Preference dividend (if any)	Average Shareholder's Equity	1,377.70	44,502.18	55.55	27,672.00	3.10%	0.20%	1442.16%	Return on Equity has improved as compared to previous year, due to enhanced net operating revenue & net operating profit as compared to previous year.
5	Inventory Turnover Ratio	Times	COGS	Average inventories ((Opening + Closing balance) / 2)	9,831.67	3,094.30	5,924.37	2,107.44	3.24	2.81	15.26%	Inventory turnover ratio has improved as compared to previous year due to enhanced revenue from operations along with reduced inventory holding period.
6	Trade Receivable turnover ratio	Times	Revenue from operations	Average trade receivables ((Opening balance + Closing balance) / 2)	23,749.88	1,580.66	14,387.37	714.39	15.03	20.14	-25.39%	Debt turnover ratio has slightly reduced with relative increase in B2B segment as compared to previous year.
7	Trade Payable turnover ratio	Times	Total purchases	Average trade payables ((Opening balance + Closing balance) / 2)	22,054.66	2,012.13	12,866.48	1,403.61	8.44	9.17	-7.89%	NA
8	Net Capital Turnover Ratio	Times	Revenue from operations	Working capital (Current assets - Current liabilities)	23,749.88	23,429.47	14,387.37	17,926.57	1.01	0.80	26.31%	Financial revenue from operations along with reduced working capital has led to improved ratio as compared to previous year.
9	Net Profit Ratio	Percentage	Net profit after taxes	Revenue from operations	1,377.70	23,749.88	55.55	14,387.37	5.80%	0.39%	1402.42%	Financial revenue from operations with optimisation of costs (operating + non-operating) led to improved net profit, thereby leading to an increase in net profit ratio as compared to previous year.
10	Return on capital employed	Percentage	Profit before interest and taxes	Capital employed (Shareholder's equity + Total debt (including lease liabilities) + Deferred tax liability)(if any)	1,402.88	70,490.59	244.86	34,848.59	2.08%	0.70%	195.36%	Return on capital employed has improved as compared to previous year with enhanced operating revenues and optimisation of costs (operating + non operating)
11	Return on investment on mutual funds	Percentage	Income generated from investment	Weighted average investments ((Opening balance + Closing balance) / 2)	199.88	4,245.13	458.72	8,586.71	4.71%	5.14%	-11.86%	Return on mutual funds reduced in line with market trends.
12	Return on investment in fixed deposits	Percentage	Income generated from investment	Average investments (simple average) ((Opening balance + Closing balance) / 2)	647.20	11,849.52	616.53	10,855.51	5.46%	5.68%	-3.82%	Return on fixed deposits improved in line with market trends.



47 During the current year, the Company's wholly owned subsidiary - Lenskart Singapore Pte Ltd. has made an investment in Owndays Inc (name of investee) for acquisition of 92.27% equity stake in the investee entity. The investment has been made to strengthen the Company's presence globally in optical wear.

48 Government grants

	As at 31 March 2023	As at 31 March 2022
As at 01 April		
Received during the year	141.56	98.05
Released to the statement of profit and loss	205.96	62.47
As at 31 March	309.69	141.56
Current	47.40	25.72
Non current	262.29	115.84

Government grant to be received for the purchase of certain items of property, plant and equipment. The company has to fulfill export obligation of six times of amount of duty saved over a period of six years, from respective date of import, under the EPCG scheme against import of plant and machinery. (refer note 35)

49 i) During the previous year ended 31 March 2022, certain notices were issued to the Company by GST Intelligence Department, requiring the Company to furnish category wise details of the sales made from inception of GST i.e. July 2017 till date, especially w.r.t Zero Power glasses (or 'such glasses'). Such glasses are currently being sold with 12% GST, however, the GST authorities are of the view that such spectacles with zero power lenses are taxable @ 18%. Basis legal opinion sought further supported by facts of the case and underlying documents, the management is of the view that zero power glasses are correctly chargeable to GST @ 12%. To pursue the matter further, the Company has deposited an amount of Rs 105.94 million under protest through utilization of its GST input credit. A refund has been applied in due course, which if challenged by the GST Authorities will be then contested through legal action in the court of law.

50 Subsequent events to balance sheet:

Subsequent to the end of 31 March 2023, the Company has fully disposed off the investment in its joint venture Owndays India Private Limited. There were no other significant subsequent events.

51 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act 1961. Since, the law requires existence of such information and documentation to be contemporaneous in nature, Company has executed necessary agreement/document with all such related parties wherever transfer pricing is applicable. The management is of the opinion that its transaction are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

52 Balances mentioned below includes recoverables in foreign currency invoiced for more than 270 days and payables in foreign currency invoiced for more than 365 days. The Company is in the process of discussing with AD / Reserve Bank of India (RBI) for receiving / regularizing the same. Pending the final outcome of this matter, no adjustments have been made to the accompanying standalone financial statements in this regard.

Particulars	Amount
Trade Receivables	85.47
Other Receivables	341.92
Other Payable	53.31

53 The Company has maintained proper books of accounts as required by law except that the company does not have the server located in India for the daily back up. The Company is in process of setting up server in India in order to be in compliance with Rules as applicable under Companies Act 2013.

54 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

For S.R. Batliboi & Associates LLP  
 Chartered Accountants  
 ICAI Firm Registration No. 101049W/E300004


  
 per Yogesh Midha  
 Partner  
 Membership No. 094941



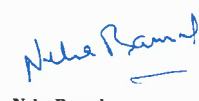
Place: Gurugram  
 Date: 12 September 2023



For and on behalf of the Board of Directors of  
 Lenskart Solutions Private Limited

  
 Peyush Bansal  
 Director  
 DIN:02070081  
 Place: Gurugram  
 Date: 12 September 2023

  
 Mukti Hariharan  
 Chief Financial Officer  
 Place: Gurugram  
 Date: 12 September 2023

  
 Neha Bansal  
 Director  
 DIN:02057007  
 Place: Gurugram  
 Date: 12 September 2023

  
 Preeti Gupta  
 Company Secretary  
 Membership No. - ACS29209  
 Place: Gurugram  
 Date: 12 September 2023