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Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report
To the Members of Styleverse Lifestyle Private Limited
Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Styleverse Lifestyle Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2024, and total comprehensive income (comprising of profit and other comprehensive income/loss), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Other Information

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

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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.

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Responsibilities of management and those charged with governance for the financial statements

5. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the 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 financial statements

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

8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
   a) Identify and assess the risks of material misstatement of the 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.
   b) 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.
   c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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d) 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 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.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

Report on other legal and regulatory requirements

10. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

11. 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 for the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules"). Further, in the absence of sufficient appropriate audit evidence, we are unable to verify whether the backup of certain books of account and other books and papers maintained in electronic mode has been maintained on a daily basis on servers physically located in India during the year.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Rules.

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(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(h) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2024.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 39 (vii) to the 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, as disclosed in the Note 39 (vii) to the financial statements, 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 that we 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. The Company has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account. One of the accounting software did not have a feature of recording audit trail (edit log) facility. With respect to three other accounting software, maintained by third party service providers, in the absence of System and Organisation Controls (SOC) 1 Type 2 reports, we are unable to comment whether the audit trail feature of the aforesaid software was enabled and operated throughout the year and, Therefore the question of our commenting on whether the audit trail feature was tampered with does not arise.

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12. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Praveen

Praveen C G
Partner
Membership Number: 214797
UDIN: 24214797BKHRUB1478

Place: Bengaluru
Date: May 27, 2024

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Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of Styleverse Lifestyle Private Limited on the financial statements for the period ended March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Styleverse Lifestyle Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 ("the Guidance Note") 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 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

5. 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 system with reference to financial statements.

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Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of Styleverse Lifestyle Private Limited on the financial statements for the period ended March 31, 2024

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, 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 ICAI.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Praveen C G
Partner
Membership Number: 214797
UDIN: 24214797BKHRUB1478

Place: Bengaluru
Date: May 27, 2024

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Styleverse Lifestyle Private Limited on the financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The property, plant and equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

The Company does not own any immovable properties [Refer Note 3 (a) to the financial statements]. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has chosen cost model for its property, plant and equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account.

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iii. (a) The Company has made investments in four mutual fund schemes and granted unsecured loans, to employees. The aggregate amount during the period, and balance outstanding at the balance sheet date with respect to such loans are as per the table given below:

Particulars	Loans to employees (Rs. In crores)
Aggregate amount of loans granted during the period	0.04
Balance outstanding as at balance sheet date in respect of the above	0.01
[Refer Note 8 (e) to the financial statements]	

(b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted or investments were made are not prejudicial to the Company's interest.

(c) In respect of the loans, the schedule of repayment of principal has been stipulated, and the parties are repaying the principal amounts, as stipulated. The loans provided do not stipulate payment of interest.

(d) In respect of the loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) There were no loans which were granted during the year, including to promoters/ related parties that were repayable on demand or without specifying any terms or period of repayment.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

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vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of professional tax and employees' state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, income tax, goods and services tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans during the year ended March 31, 2024 and there was no unutilized balance of term loan obtained in earlier years as on April 1, 2023. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has made a private placement of shares during the year, in compliance with the requirements of Section 42 of the Act. The funds raised have been used for the purpose for which funds were raised.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. The Company is not mandated to have an internal audit system during the year.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has 8 CICs as part of the Group as detailed in Note 39 (xii) to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii The Company has not incurred any cash losses in the financial year. The current financial year being the first year of incorporation of the Company, reporting under Clause (xvii) to the extent it relates to the immediately preceding financial year, is not applicable to the Company.

xviii. There has been resignation of the statutory auditors during the year and no issues, objections or concerns were raised by the outgoing auditors.

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xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Praveen C G
Partner
Membership Number: 214797
UDIN: 24214797BKHRUB1478

Place: Bengaluru
Date: May 27, 2024

Styleverse Lifestyle Private Limited
CIN - U14101KA2023PTC174970
Balance Sheet
(All amounts in ₹ Crores; unless otherwise stated)

Particulars	Notes	As at March 31, 2024
ASSETS		
I **Non-current assets**		
(a) Property, plant and equipment	3(a)	6.25
(b) Right-of-use assets	5(a)	13.30
(c) Capital work-in-progress	3(b)	0.08
(d) Goodwill	4	23.34
(e) Other intangible assets	4	113.71
(f) Non-current tax assets (net)	6	0.99
Total - Non-current assets		**157.67**
II **Current assets**		
(a) Inventories	7	60.11
(b) Financial assets		
(i) Investments	8(a)	41.63
(ii) Trade receivables	8(b)	190.70
(iii) Cash and cash equivalents	8(c)	1.35
(iv) Bank balance other than Cash and cash equivalents	8(d)	1.18
(v) Other financial assets	8(e)	0.55
(c) Other current assets	9	8.62
Total - Current assets		**304.14**
TOTAL - ASSETS		**461.81**
EQUITY AND LIABILITIES		
I **Equity**		
(a) Equity share capital	10	0.02
(b) Other equity	11	256.94
Total - Equity		**256.96**
II **Non-current liabilities**		
(a) Financial liabilities		
(i) Lease liabilities	5(b)	12.42
(ii) Other financial liabilities	13	0.01
(b) Deferred tax liabilities (net)	12	27.94
(c) Provisions	14	0.33
Total - Non-current liabilities		**40.70**
III **Current liabilities**		
(a) Financial liabilities		
(i) Borrowings	15	1.63
(ii) Lease liabilities	5(b)	0.79
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	16	7.33
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	126.10
(iv) Other financial liabilities	17	17.46
(b) Provisions	18	0.08
(c) Other current liabilities	19	10.76
Total - Current liabilities		**164.15**
Total - Liabilities		**204.85**
TOTAL - EQUITY AND LIABILITIES		**461.81**

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009

Praveen

Praveen C G
Partner
Membership Number: 214797
Place: Bengaluru
Date : May 27, 2024

For and on behalf of the Board of Directors of
Styleverse Lifestyle Private Limited

Anant Tanted
Director
DIN: 02111609
Place: Bengaluru
Date : May 27, 2024

Manish Singhai
Director
DIN: 09657669
Place: Bengaluru
Date : May 27, 2024

Styleverse Lifestyle Private Limited
CIN - U14101KA2023PTC174970
Statement of Profit and Loss
(All amounts in ₹ Crores; unless otherwise stated)

	Particulars	Notes	Period from June 12, 2023 till March 31, 2024
I	Revenue from operations	20	101.51
II	Other income	21	1.71
III	**Total income (I + II)**		**103.22**
IV	**Expenses**		
	(a) Cost of materials consumed	22	33.30
	(b) Purchase of stock-in-trade		0.56
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	9.18
	(d) Employee benefits expense	24	5.43
	(e) Depreciation and amortisation expense	25	6.12
	(f) Finance costs	26	0.44
	(g) Other expenses	27	40.95
	Total expenses		**95.98**
V	**Profit before tax (III - IV)**		**7.24**
VI	**Income tax expense**		
	(a) Current tax (expense)	28	(4.14)
	(b) Deferred tax (charge) / credit	28	1.87
	Total tax expense		**(2.27)**
VII	**Profit for the period**		**4.97**
VIII	**Other comprehensive loss**		
	Items that will not be reclassified to profit or loss		
	(a) Re-measurement of post-employment benefit plans	30	0.15
	Income tax effect on above	28	(0.04)
	Total other comprehensive loss for the period		**0.11**
IX	**Total comprehensive income for the period (VII - VIII)**		**4.86**
X	**Earnings per equity share [Nominal value of share ₹ 10]**	29	
	Basic (₹)		3,217.94
	Diluted (₹)		3,217.94

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009

Praveen C G
Partner
Membership Number: 214797
Place: Bengaluru
Date : May 27, 2024

For and on behalf of the Board of Directors of
Styleverse Lifestyle Private Limited

Anant Tanted
Director
DIN: 02111609
Place: Bengaluru
Date : May 27, 2024

Manish Singhai
Director
DIN: 09657669
Place: Bengaluru
Date : May 27, 2024

Styleverse Lifestyle Private Limited
CIN - U14101KA2023PTC174970
Statement of Changes in Equity
(All amounts in ₹ Crores; unless otherwise stated)

a. Equity share capital

Particulars	No. of shares	Amount
Equity shares of ₹ 10 each issued		
As at June 12, 2023	-	-
Equity share capital issued (Refer Note - 10)	20,409	0.02
As at March 31, 2024	**20,409**	**0.02**

b. Other equity

Particulars	Reserves and Surplus			Other comprehensive income	Total other equity
	Retained earnings (Refer Note - 11)	Securities premium (Refer Note - 11)	Others (Refer Note - 11)	Remeasurement of post-employement benefit plans (Refer Note - 11)	
As at June 12, 2023					
Profit for the period	4.97	-	-	-	4.97
Other comprehensive income / (loss) for the period	-	-	-	(0.11)	(0.11)
Premium on issue of equity shares	-	139.99	-	-	139.99
Other equity (Refer Note - 33)	-	-	112.09	-	112.09
As at March 31, 2024	**4.97**	**139.99**	**112.09**	**(0.11)**	**256.94**

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009

Praveen C G
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DIN: 09657669
Place: Bengaluru
Date : May 27, 2024

Styleverse Lifestyle Private Limited
CIN - U14101KA2023PTC174970
Statement of Cash flows
(All amounts in ₹ Crores; unless otherwise stated)

Particulars	Notes	Period from June 12, 2023 till March 31, 2024
Cash flows from operating activities		
Profit before tax		7.24
Adjustments for:		
Depreciation and amortisation expense	25	6.12
Finance costs	26	0.44
Interest income	21	(0.52)
Fair value gain on investments in mutual funds	21	(0.84)
Net gain on sale of current investments	21	(0.34)
Operating profit before working capital changes		**12.10**
Changes in working capital:		
(Increase) / Decrease in trade receivables		(51.75)
(Increase) / Decrease in inventories		9.59
(Increase) / Decrease in other assets		5.93
Increase / (Decrease) in trade and other payables		(19.50)
Increase / (Decrease) in provisions		0.12
Increase / (Decrease) in other liabilities		10.91
Cash generated from / (used in) operations		**(32.60)**
Direct taxes paid (Net of refunds)		(5.20)
Net cash flow from / (used in) operating activities		**(37.80)**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets		(0.71)
Investment in term deposits with banks		(1.18)
Purchase of current investments (mutual funds)		(63.00)
Proceeds from redemption of mutual funds		22.56
Consideration paid for acquisition of business		(40.00)
Interest received on term deposits		0.52
Net cash flow from / (used in) investing activities		**(81.81)**
Cash flows from financing activities		
Proceeds from issue of equity share capital		140.01
Proceeds from current borrowings		1.63
Repayment of current borrowings		(19.98)
Principal repayment on lease liability		(0.27)
Interest payment on lease liability		(0.43)
Net cash flow from / (used in) financing activities		**120.96**
Net increase in cash and cash equivalents		**1.35**
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	8(c)	**1.35**
Components of Cash and cash equivalents [Refer Note - 8(c)]		
Balances with banks		
- Current accounts		-
- Term deposits with original maturity less than three months		1.35
Total Cash and cash equivalents		**1.35**

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009

Praveen C G
Partner
Membership Number: 214797
Place: Bengaluru
Date : May 27, 2024

For and on behalf of the Board of Directors of Styleverse Lifestyle Private Limited

Anant Tanted
Director
DIN: 02111609
Place: Bengaluru
Date : May 27, 2024

Manish Singhai
Director
DIN: 09657669
Place: Bengaluru
Date : May 27, 2024

Styleverse Lifestyle Private Limited
CIN - U14101KA2023PTC174970
Notes forming part of the Financial Statements
(All amounts in ₹ Crores; unless otherwise stated)

1. Corporate information

Styleverse Lifestyle Private Limited ("the Company"), a private limited company domiciled in India and was incorporated on June 12, 2023 ('date of incorporation') under the provisions of the Companies Act, 2013. The registered office of the Company is located at No. 3/A, Sy No. 38/3,38/4, G B Palya, Hongasandra, Begur, Bangalore, Bangalore South, Karnataka, India, 560068. Since the Company has been incorporated on June 12, 2023, the corresponding amounts for the immediately preceding reporting period are not applicable.

The Company is involved in the business of manufacturing and trading of apparel on its own online platform and other e-commerce portals.

The financial statements have been approved by the Board of Directors in their meeting held on **May 27, 2024**

2. Basis of preparation

2.1 Compliance with Ind AS and historical cost convention

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. The financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;

The Ministry of Corporate Affairs (MCA) through a notification, notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended the following accounting standards and the amendments are applicable for financial periods commencing from April 1, 2022. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

2.2 Functional and Presentation Currency:

The financial statements are presented in Indian Rupee (Rs. / ₹) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest Crores, unless otherwise stated.

2.3 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents 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.

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A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- 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.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.4 Critical Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial period, are described below. The Company's assumptions and estimates are based on parameters available at the time of preparation of financial statements. 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.

(a) Employee benefit plans

The cost of the defined benefit plan and other employment benefits plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates. (Refer Note 30)

(b) Provision for discount and sales return

The Company provides for discount and sales return based on past history of discounts and returns. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

(c) Impairment assessment of goodwill

Refer Note 4 for impairment assessment.

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2.4 New and amended standards adopted by the Company:

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

Disclosure of accounting policies amendments to Ind AS 1

- Companies are now required to disclose material accounting policies instead of significant accounting policies.
- Accounting policy information considered together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.
- Accounting policy information that relates to immaterial transactions, other events or conditions need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are material. However, not all accounting policy information relating to material transactions, other events or conditions is itself material

Definition of accounting estimates amendments to Ind AS 8

- The definition of 'change in account estimate' has been replaced by the definition of an 'accounting estimate'. As per the amendment, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.
- The amendment states that a company develops an accounting estimate to achieve the objective set out by an accounting policy.
- As per the amendment, measurement techniques and inputs are used to develop an accounting estimate. Measurement techniques include estimation techniques and valuation techniques.

Deferred tax related to assets and liabilities arising from a single transaction amendments to Ind AS 12

The amendment has narrowed the scope of the Initial Recognition Exemption (IRE) for deferred tax liability and asset. As per the amendment, a deferred tax liability or asset is not required to be recognised from:
a. Initial recognition of goodwill or
b. Initial recognition of an asset or liability arising in a transaction which:
   i. Is not a business combination
   ii. At the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and
   iii. At the time of the transaction, does not give rise to equal taxable and deductible temporary differences. (emphasis added to highlight the change)

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequent of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

Standards issued but not yet effective:

Companies are required to explain if there are any accounting standards which are issued but not yet effective and are expected to have a material impact on the company. As on the date of release of these illustrative financial statements, MCA has not issued any standards/ amendments to accounting standards which are effective from 1 April 2024.

(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 3(a)
PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful life of the asset estimated by the management. Depreciation on additions is provided on a pro rata basis from the month of installation or acquisition. Depreciation on deletions/ disposals is provided on a pro rata basis upto the month preceding the month of deletions/ disposals. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used. Management's estimate of useful lives is as below:

Class of Assets	Assets	Useful life as per Schedule II of Companies Act, 2013	Estimated useful life
Plant and Machinery	Plant and Machinery	15 years	20 years
Computers	Servers, end user devices, such as desktops, laptops, etc.	3 years for end user devices and 6 years for servers	4 years
Furniture and fixtures	Furniture and fittings	10 years	7 years
Office equipment	Office electrical equipment	5 years	5 years

Useful life of assets different from that prescribed in Schedule II has been estimated by the management, supported by technical assessment.

Particulars	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Total
Cost					
As at June 12 , 2023	-	-	-	-	-
Additions pursuant to business combination (Refer Note - 33)	0.26	0.40	4.42	1.40	**6.48**
Additions	0.04	0.15	0.12	0.01	**0.32**
As at March 31, 2024	**0.30**	**0.55**	**4.54**	**1.41**	**6.80**
Accumulated Depreciation					
As at June 12 , 2023	-	-	-	-	-
Depreciation for the period (Refer Note - 25)	(0.01)	(0.07)	(0.32)	(0.15)	**(0.55)**
As at March 31, 2024	**(0.01)**	**(0.07)**	**(0.32)**	**(0.15)**	**(0.55)**
Net carrying value as at:					
March 31, 2024	**0.29**	**0.48**	**4.22**	**1.26**	**6.25**

NOTE: 3(b)
CAPITAL WORK IN PROGRESS

Particulars	As at March 31, 2024
Capital Work-in-progress	0.08

Ageing of Capital work-in-progress as at March 31, 2024 :

Particulars	Less than one year	1 – 2 years	2 – 3 years	More than 3 years	Total
(i) Projects in progress	0.08	-	-	-	**0.08**
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**0.08**	**-**	**-**	**-**	**0.08**

Note:

These are no projects as on reporting date where actual costs have exceeded the original budget or where the completion is overdue.

(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 4
INTANGIBLE ASSETS AND GOODWILL

Intangible assets are stated at historical cost net of accumulated amortization and accumulated impairment losses, if any. Goodwill on acquisition of business is not amortized but is tested for impairment on an annual basis.

Amortization method and useful life:

Amortization on intangible assets is calculated on a straight-line basis over the useful life of the asset estimated by the management. Amortization on additions is provided on a pro rata basis from the month of acquisition. Amortization on deletions/ disposals is provided on a pro rata basis up to the month preceding the month of deletions/ disposals. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used. Management's estimate of useful lives is as below:

Class of Assets	Estimated useful life
Computer software	3 years
Brand	10 years

Particulars	Brand	Computer software	Other intangible assets	Goodwill
Cost				
As at June 12 , 2023	-	-	-	-
Additions pursuant to business combination (Refer Note - 33)	118.60	0.02	**118.62**	**23.34**
Additions	-	0.04	**0.04**	-
As at March 31, 2024	**118.60**	**0.06**	**118.66**	**23.34**
Accumulated Amortisation				
As at June 12 , 2023	-	-	-	-
Additions (Refer Note - 25)	(4.94)	(0.01)	**(4.95)**	-
As at March 31, 2024	**(4.94)**	**(0.01)**	**(4.95)**	-
Net carrying value as at:				
March 31, 2024	**113.66**	**0.05**	**113.71**	**23.34**

Disclosures with respect to Goodwill impairment

The recoverable amount of the CGUs as at March 31, 2024, has been determined based on value in use method using cash flow projections from financial budgets approved by senior management covering a four years period ended March 31, 2028 and cash flow projections for financial year 2027-28 has been used for computation of perpetual cash flows. The Company has considered a terminal growth rate of 5% to arrive at the value in use to perpetuity beyond March 31, 2028. The post-tax discount rate is applied to discounted cash flow projections. It is concluded that the carrying value of goodwill does not exceed the value in use. As a result of this analysis, the management did not identify impairment of the goodwill and the CGU.

Key assumptions used for value in use calculations

Discount rates:
Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation of each CGU is derived from its Weighted Average Cost of Capital (WACC). The WACC takes into account both cost of debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings of the respective CGU. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

Growth rate estimates:
Rates are based on published industry research. The growth rate is in line with the long-term growth rate of the industry. The growth rate considers the management plan to launch new products and growth in digital e-commerce and change in merchandise.

Significant assumptions:

Terminal growth rate	5%
Discount rate	16%

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(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 5
RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether:
• The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
• The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
• The Company has the right to direct the use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either the Company has the right to operate the asset; or the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Where the Company is the lessee

Right-of-use assets
The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for short-term leases which are less than 12 months and leases of low value assets. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, adjusted for certain remeasurements of the lease liability.

Lease liabilities
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments. The lease liabilities are measured at amortised cost using the effective interest method.

In addition, the carrying amount of lease liabilities is re-measured if there is a modification arising due to change in the lease term, change in the lease payments or a change in the assessment of an option to purchase the underlying asset. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.
The Company presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the Balance Sheet.

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 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.

The Company has taken on lease office spaces and warehouses. Leasing arrangements of the Company are generally for a term of nine years and have a non-cancellable period which ranges from 2 to 3 years.

(a) Right-of-use assets

Particulars	Buildings
Cost	
As at June 12 , 2023	-
Additions pursuant to business combination (Refer Note - 33)	11.59
Additions during the period	2.33
Termination	-
As at March 31, 2024	**13.92**
Depreciation	
As at June 12 , 2023	-
Depreciation for the period (Refer Note - 25)	(0.62)
As at March 31, 2024	**(0.62)**
Net carrying value as at:	
As at March 31, 2024	**13.30**

(All amounts in ₹ Crores; unless otherwise stated)

(b) Lease liabilities

Particulars	Amount
Balance as at June 12, 2023	-
Additions pursuant to business combination (Refer Note - 33)	11.22
Additions during the period	2.26
Interest expense on lease liabilities	0.43
Repayments during the period	(0.70)
Balance as at March 31, 2024	**13.21**
Current	0.79
Non-current	12.42

For maturity analysis of lease liabilities, refer note - 34.

Expenses / (Income) recognized in the Statement of profit and loss

	Period from June 12, 2023 till March 31, 2024
Finance cost	
Interest expense on lease liabilities	0.43
Depreciation expenses	
Depreciation on right-of-use assets	0.62
Variable lease payments	2.13

Total cash outflow for leases (including variable rent) for March 31, 2024 is ₹ 2.83.

The lease arrangements include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination option. 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.

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(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 6
NON-CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2024
Non-current tax assets (net) [net of provision for tax of ₹ 4.14]	0.99
	0.99

NOTE: 7
INVENTORIES

Raw material are valued at lower of cost or net realisable value. Cost is determined on weighted average cost basis. Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average cost basis.

Particulars	As at March 31, 2024
At lower of cost and net realisable value	
Raw materials	6.49
Work-in-progress	12.11
Finished goods	41.51
	60.11

Note : Inventories are net of obsolescence provision amounting to ₹ 2.64

NOTE: 8
CURRENT FINANCIAL ASSETS

(I) Financial Instruments

i. Classification of financial assets at amortised cost: The Company classifies its financial assets at amortised cost only if both of the following criteria are met: (a) the asset is held within a business model whose objective is to collect the contractual cash flows, and (b) the contractual terms give rise to cash flows that are solely payments of principal and interest. Financial assets classified at amortised cost comprise trade receivables, security deposits, balances with banks, etc.

ii. Classification of financial assets at fair value through other comprehensive income: Financial assets at fair value through other comprehensive income (FVOCI) (if any) comprise equity securities (unlisted) which are not held for trading, and for which the Company has irrevocably elected at initial recognition to recognise changes in fair value through OCI rather than profit or loss. These are strategic investments and the Company considers this classification to be more relevant. Financial assets at FVOCI also includes debt securities where the contractual cash flows are solely principal and interest and the objective of the business model is achieved both by collecting contractual cash flows and selling financial assets. There are currently no equity and debt securities which are carried at FVOCI.

iii. Classification of financial assets at fair value through profit or loss: The Company classifies the following financial assets (if any) at fair value through profit or loss (FVTPL): (a) debt investments (bonds, debentures and mutual funds) that do not qualify for measurement at either amortised cost or FVOCI, (b) equity investments that are held for trading, and (c) equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

8(a) CURRENT INVESTMENTS

Particulars	As at March 31, 2024
Investments carried at FVTPL	
Quoted	
Investment in mutual funds	
4,70,605 units of Aditya Birla Sun Life Liquid Fund - Regular Plan - Growth	18.15
49,813 units of Axis Liquid Fund - Growth	13.27
21,726 units of HDFC Liquid Fund - Growth	10.21
	41.63
Aggregate book value of quoted investments	41.63
Aggregate market value of quoted investments	41.63
Aggregate value of unquoted investments	-
Aggregate amount of impairment in value of investments	-

(All amounts in ₹ Crores; unless otherwise stated)

8(b) TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time).

Trade receivables are recognised initially at the transaction price as they do not contain significant financing component. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables.

The Company follows the simplified approach for computing the expected credit loss. The Company is majorly having transactions with Business to Business ('B2B'), Business to Customer ('B2C') and with Direct to Customers ('D2C') through payment gateways. The Company has assessed the provision for loss allowance for B2B and B2C customers, separately.

	Expected credit loss (%) as at March 31, 2024	
	B2B	**B2C**
Not due	0%	0%
0-6 months	0%	0%
6 months - 1 year	0%	0%
2-3 years	0%	0%
More than 3 years	0%	0%

Particulars	As at March 31, 2024
Unsecured, considered good	
Trade receivables	188.83
Trade receivables from related parties (Refer Note - 32)	1.87
	190.70
Less : Loss allowance	0.00
Total	**190.70**

Ageing of Trade Receivables as at March 31, 2024 :

Particulars	Unbilled	Not due	Outstanding as on March 31, 2024 (for following periods from due date of payment)				Total
			0 - 6 months	6 months - 1 year	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	-	-	163.64	27.06	-	-	190.70
(ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables- credit impaired	-	-	-	-	-	-	-
	-	**-**	**163.64**	**27.06**	**-**	**-**	**190.70**

8(c) CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024
Balances with banks	
- Term deposits with original maturity less than three months	1.35
	1.35

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Net debt reconciliation

Particulars	As at June 12, 2023	Obtained as part of acquisition	Cash flows (net)	Other non-cash adjustments	As at March 31, 2024
Investing activities					
Cash and cash equivalents	-	-	1.35	-	1.35
Current Investments	-	-	40.79	0.84	41.63
Total (a)	**-**	**-**	**42.14**	**0.84**	**42.98**
Financing activities					
Borrowings	-	19.98	(18.35)	-	1.63
Lease liability	-	11.22	(0.70)	2.69	13.21
Total (b)	**-**	**31.20**	**(19.05)**	**2.69**	**14.84**
Net debt (b-a)					**(28.14)**

8(d) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024
Deposits with banks with original maturity of more than three months and remaining maturity less than twelve months	1.18
	1.18

8(e) CURRENT FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2024
Unsecured and considered good	
Security deposit	0.43
Advance to employees	0.12
	0.55

NOTE: 9
OTHER CURRENT ASSETS

Particulars	As at March 31, 2024
Unsecured and considered good	
Right to return asset	6.58
Balances with government authorities (other than income tax)	1.07
Advances to suppliers	0.52
Prepaid expenses	0.45
	8.62

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(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 10
EQUITY SHARE CAPITAL

Authorised share capital

Particulars	No. of shares	Amount
Equity shares of ₹ 10 each		
As at June 12, 2023	-	-
Add : Equity shares issued during the period	10,00,000	1.00
As at March 31, 2024	**10,00,000**	**1.00**

Issued, subscribed and paid-up share capital

Particulars	No. of shares	Amount
Equity shares of ₹ 10 each		
As at June 12, 2023	-	-
Add : Equity shares issued during the period	20,409	0.02
As at March 31, 2024	**20,409**	**0.02**

(i) Shares held by Promoters:

Particulars	Shares held by Promoters as at March 31, 2024		% Change during the period
Promoter name	**No. of Shares**	**% of total shares**	
Aditya Birla Digital Fashion Ventures Limited	10,405	51%	51%
Anant Tanted	6,600	32%	32%
Ishita Tanted	3,400	17%	17%

(ii) Terms/rights attached to equity shares

The Company has one class of equity shares having face value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive such an amount of assets of the Company after distribution of all amounts as per provisions of the Companies Act, 2013.

(iii) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2024	
	No. of shares held	**% of paid-up share capital**
Aditya Birla Digital Fashion Ventures Limited	10,405	51%
Anant Tanted	6,600	32%
Ishita Tanted	3,400	17%

(v) Details of shares held by holding company

Name of the shareholder	As at March 31, 2024	
	No. of shares held	**Amount**
Aditya Birla Digital Fashion Ventures Limited	10,405	51%

(vi) There are no shares allotted for consideration other than cash during the period.

(vii) There were no bonus shares issued during the period.

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NOTE: 11
OTHER EQUITY

Particulars	As at March 31, 2024
Reserves and surplus	
Retained earnings	
As at June 12, 2023	-
Profit for the period	4.97
As at March 31, 2024	**4.97**
Securities Premium	
As at June 12, 2023	-
Add : Premium on issue of equity shares during the period	139.99
As at March 31, 2024	**139.99**
Other equity	
As at June 12, 2023	-
Add : Purchase consideration (Refer Note - 33)	112.09
As at March 31, 2024	**112.09**
Other comprehensive income / (loss)	
Remeasurement gains/ (losses) on post-employment benefit plans	
As at June 12, 2023	-
Gains/ (losses) during the period	(0.11)
As at the end of the period	**(0.11)**

Other equity

	As at March 31, 2024
Reserves and surplus	
Retained earnings	4.97
Securities premium	139.99
Others	112.09
Other comprehensive income / (loss)	(0.11)
Total	**256.94**

The description of the nature and purpose of each reserve within other equity is as follows:

1. Retained earnings
Retained earnings comprise of the Company's accumulated undistributed profits/ (losses) after taxes.

2. Securities premium
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

3. Other equity
Other equity represents fair value of the assets and liabilities of the business transferred which is attributable to the equity interest retained by the sellers in the Company. (Refer Note - 33).

4. Remeasurement gains/ (losses) on post-employment benefit plans
The cumulative balances of gains/ (losses) arising on remeasurements of post employment benefit plans is accumulated and recognised within this component of other comprehensive income. Items included in remeasurement gains/ (losses) reserve will not be reclassified subsequently to Statement of Profit and Loss.

(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 12
DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2024
Deferred tax liabilities	33.20
Deferred tax assets	(5.26)
Total	**27.94**

Deferred tax liabilities / (assets) relates to the following:

Particulars	Balance Sheet	Statement of Profit and Loss	Other comprehensive income (OCI)
	As at March 31, 2024	Period from June 12, 2023 till March 31, 2024	Period from June 12, 2023 till March 31, 2024
Difference between carrying amount and tax base of property, plant and equipment	(1.27)	1.27	-
Difference between carrying amount and tax base of intangible assets	0.00	0.00	-
Provision for leave encashment	(0.00)	0.00	-
Provision for gratuity	(0.02)	0.02	(0.04)
Provision for bonus	(0.00)	0.00	-
Right of Use assets	3.35	(3.35)	-
Lease liabilities	(3.32)	3.32	-
Deferred tax on acquisition of brand	28.60	1.25	-
Others	0.64	(0.64)	-
Net deferred tax liabilities	**27.98**	**1.87**	**(0.04)**
Deferred tax (expense) / income	-	**1.87**	-
Deferred tax (expense) / income - OCI	-	-	**(0.04)**
Deferred tax liabilities (net)	**27.94**	-	-

Notes:
Due to uncertainty with respect to allowability of depreciation on acquired brand under the Income Tax Act, 1961, a deferred tax liability has been recognized. Management will re-assess the allowability of the depreciation on the brand at every year-end.

Movement of deferred tax (assets) and liabilities during the period is as below:	**Period from June 12, 2023 till March 31, 2024**
From acquisition of business (Refer Note - 33)	**29.85**
Deferred tax (credit)/ charge recognised in the Statement of Profit and Loss	(1.87)
Deferred tax (credit)/ charge recognised in OCI	(0.04)
Closing Balance	**27.94**

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NOTE: 13
NON-CURRENT FINANCIAL LIABILITIES - OTHERS

Particulars	As at March 31, 2024
Security deposit from vendors	0.01
	0.01

NOTE: 14
NON-CURRENT PROVISIONS

Particulars	As at March 31, 2024
Employee benefit obligation	
Provision for gratuity (Refer Note - 30)	0.33
	0.33

(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 15
BORROWINGS

Particulars	As at March 31, 2024
Secured	
Cash credit [Refer Note (b) below]	1.63
	1.63

Notes:

(a) During the current period, the Company has repaid borrowings taken over as part of acquisition amounting to ₹ 19.98 (Refer note - 33).

(b) The Company has availed a cash-credit facility from a bank amounting to ₹ 17. The facility is secured against by inventories and trade receivables. The facility carries a coupon rate of 8.25% per annum. Interest is due for payment on the first day of the subsequent month. The Company has complied with the financial covenants as specified by the bank at March 31, 2024.

NOTE: 16
TRADE PAYABLES

Particulars	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	7.33
Total outstanding dues of creditors other than micro enterprises and small enterprises	126.10
	133.43

Note:
Details of dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Particulars	As at March 31, 2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	7.07
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.08
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date	14.25
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day	-
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 period) but without adding the interest specified under the MSMED Act.	0.19
Interest accrued and remaining unpaid at the end of the year	0.26
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	0.09

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors.

Ageing of Trade payables:

Particulars	Outstanding as on March 31, 2024 (for following periods from due date of payment)					
	Not due (including unbilled)	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	5.30	1.95	0.06	0.02	-	7.33
(ii) Undisputed dues - Others	78.84	47.24	0.02	-	-	126.10
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 17
CURRENT FINANCIAL LIABILITIES - OTHERS

Particulars	As at March 31, 2024
Deferred consideration (Refer Note - 33)	15.00
Creditors for capital supplies	0.18
Employee benefits payable	2.28
	17.46

NOTE: 18
CURRENT PROVISIONS

Particulars	As at March 31, 2024
Employee benefit obligation	
Provision for compensated absences (Refer Note below)	0.06
Provision for gratuity	0.02
	0.08

Note:
The entire amount of the provision for compensated absences is presented as current, since the Company does not have an unconditional right to defer settlement beyond a period of 12 months. The Company does not expect all employees to avail the full amount of accrued leave or require payment within the next 12 months. Compensated absences not expected to be settled within 12 months is ₹ 0.05 as at March 31, 2024.

NOTE: 19
OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2024
Statutory dues	0.45
Refund liabilities	10.31
	10.76

(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 20
REVENUE FROM OPERATIONS

Revenue from contracts with customers is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ services.
To recognize revenues, the Company applies the following five-step approach:
• Identify the contract with a customer;
• Identify the performance obligations in the contract;
• Determine the transaction price;
• Allocate the transaction price to the performance obligations in the contract; and
• Recognise revenues when a performance obligation is satisfied.

Revenue from sale of products
Revenue from sales of products is measured at the amount of transaction price (net of returns, customer incentives, discounts, variable consideration and other similar charges offered by the Company) allocated to that performance obligation.
Goods and Service Tax (GST) is not received by the Company on its own account and accordingly, is excluded from revenue.

Assets and liabilities arising from right to return
The Company has contracts with customers which provides the customers the unconditional right to return.

Right to return assets
A right to return gives the Company a contractual right to recover goods from a customer (right to return asset), if the customer exercises its option to return the goods and obtain a refund. The asset is measured at the carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Refund liabilities
A refund liability is the obligation to refund part or all of the consideration received (or receivable) from the customer. The Company has therefore recognised refund liabilities in respect of customer's right to return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimate of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.
The Company has presented its right to return assets and refund liabilities under other current assets and other current liabilities, respectively.

Particulars	Period from June 12, 2023 till March 31, 2024
Revenue from sale of products	
Sale of products	101.47
Other operating income	
Scrap sales	0.04
	101.51

(a) Right to return assets and Refund liabilities

Particulars	As at March 31, 2024
Right to return asset	6.58
Refund liabilities	10.31

(b) Contract balances:

Particulars	As at March 31, 2024
Contract assets	
Trade receivables	190.70

(c) The Company is in the business of manufacture and sale garments. No significant differences exist in the timing of recognition of revenue to customers. The Company sells all its products through e-commerce channel or its own websites to customers in India. Company sells garments to both B2B and B2C customers.

(d) Reconciliation of revenue as recognised in the Statement of Profit and Loss with the contracted price

Particulars	Period from June 12, 2023 till March 31, 2024
Revenue as per contracted price	219.71
Less:	
Sales return	60.18
Discounts	58.02
Revenue as per the Statement of Profit and Loss	**101.51**

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NOTE: 21
OTHER INCOME

Particulars	Period from June 12, 2023 till March 31, 2024
Fair value gain on investments in mutual funds	0.84
Interest income	0.52
Net gain on sale or redemption of current investments	0.34
Miscellaneous Income	0.01
	1.71

NOTE: 22
COST OF MATERIALS CONSUMED

Particulars	Period from June 12, 2023 till March 31, 2024
Raw materials acquired as part of business combination (Refer Note - 33)	6.91
Add: Purchases	32.88
Less: Raw materials at the end of the period	(6.49)
Total cost of material consumed	**33.30**

NOTE: 23
CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS

Particulars	Period from June 12, 2023 till March 31, 2024
Inventories acquired as part of business combination (Refer Note - 33)	
Finished goods	51.30
Work-in-progress	11.50
Less: Closing inventories	
Finished goods	(41.51)
Work-in-progress	(12.11)
	9.18

NOTE: 24
EMPLOYEE BENEFITS EXPENSE

Particulars	Period from June 12, 2023 till March 31, 2024
Salaries, wages and bonus	5.05
Contribution to provident and other funds	0.13
Gratuity expense (Refer Note - 30)	0.06
Staff welfare expenses	0.19
	5.43

(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 25
DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Period from June 12, 2023 till March 31, 2024
Depreciation on property, plant and equipment (Refer Note - 3(a))	0.55
Depreciation on right-of-use assets (Refer Note - 5(a))	0.62
Amortisation on intangible assets (Refer Note - 4)	4.95
Total	**6.12**

NOTE: 26
FINANCE COSTS

Particulars	Period from June 12, 2023 till March 31, 2024
Interest expense	
on borrowings	0.01
on lease liabilities (Refer Note - 5(b))	0.43
	0.44

(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 27
OTHER EXPENSES

Particulars	Period from June 12, 2023 till March 31, 2024
Job work charges	14.37
Transportation and handling charges	12.75
Advertisement and sales promotion	3.36
Legal and professional	2.62
Rent [Refer Note - 5(b)]	2.13
Commission	2.04
Outsourcing, housekeeping and security	1.58
Travelling and conveyance	0.43
Information technology	0.56
Rates and taxes	0.55
Payment to auditors (Refer details below)	0.15
Electricity charges	0.13
Repairs and maintenance	
- Others	0.06
Royalty	0.07
Insurance	0.05
Miscellaneous	0.10
Total	**40.95**

Payment to auditors:

Particulars	Period from June 12, 2023 till March 31, 2024
Payments to statutory auditor:	
Audit fees	0.14
Tax audit fees	0.01
Reimbursement of expenses	-
Total	**0.15**

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NOTE: 28
INCOME TAX EXPENSE

This note provides an analysis of the Company's tax expense, and amounts that are recognized in OCI and how the tax expense is affected by non-assessable and non-deductible items.

The major components of income tax (income)/ expense are:

Statement of Profit and Loss:
Profit or loss section

		Period from June 12, 2023 till March 31, 2024
Current income tax		
Current income tax charge		4.14
	(A)	**4.14**
Deferred tax (credit)/ charge		
Relating to originating and reversing temporary differences		(1.87)
	(B)	**(1.87)**
Total	**(A+B)**	**2.27**

OCI section

Deferred tax charge/ (credit) related to items recognised in OCI during the period

	Period from June 12, 2023 till March 31, 2024
Net (gain) / loss on re-measurement of defined benefit plans	(0.04)
	(0.04)

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	Period from June 12, 2023 till March 31, 2024
Accounting profit before tax	7.24
Tax expense at India's statutory income tax rate of 25.17%	1.82
Reconciling items:	
Amortisation on brand disallowed for tax purposes	1.25
Others	(0.80)
Income-tax expense as per Statement of Profit and Loss	**2.27**

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NOTE: 29
EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the period attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. There are no potential equity shares outstanding during the period.

The following reflects the profit/(loss) and equity share data used in the basic and diluted EPS computations:

		Period from June 12, 2023 till March 31, 2024
Earnings Per Share (EPS) is calculated as under:		
Profit / (loss) as per the Statement of Profit and Loss		4.86
Profit / (Loss) for calculation of EPS	**(A)**	**4.97**
Weighted average number of equity shares for calculation of Basic EPS	**(B)**	15,452.33
Basic and Diluted EPS (₹)	**(A/B)**	**3,217.94**

(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 30
GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company operates gratuity plan wherein certain employees are entitled to the benefit equivalent to fifteen days salary last drawn for each completed period of service as per the Payment of Gratuity Act, 1972. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. The gratuity is unfunded and managed within the Company.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and Balance Sheet for the gratuity plan:

Unfunded defined benefit plan

Net benefit expense recognised through the Statement of Profit and Loss

	Period from June 12, 2023 till March 31, 2024
Current service cost	0.06
Interest cost on defined benefit obligation	-
	0.06

Changes in the present value of the Defined Benefit Obligations (DBO) are as follows:

	Period from June 12, 2023 till March 31, 2024
Defined benefit obligation acquired as part of business combination	**0.14**
Current service cost	0.06
Interest cost on defined benefit obligation	-
Actuarial (gain)/ loss on account of:	
Changes in demographic assumptions	-
Changes in financial assumptions	0.13
Experience adjustments	0.02
Actuarial loss recognised in OCI	0.15
Benefits paid	-
Closing defined benefit obligation	**0.35**

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

Quantitative sensitivity analysis for significant assumptions is as follows:

Particulars	As at March 31, 2024	
	Decrease	Increase
Discount rate (-/+ 1%)	0.02	(0.02)
(% change compared to base due to sensitivity)	6%	(5)%
Salary growth rate (-/+ 1%)	(0.02)	0.02
(% change compared to base due to sensitivity)	(5)%	6%
Attrition Rate (- / + 50% of attrition rates)	0.01	(0.01)
(% change compared to base due to sensitivity)	2%	(2)%

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The maturity profile of the defined benefit obligation are as follows:

	31-Mar-24
Within the next 12 months (next annual reporting period)	0.02
Between 2 and 5 years	0.03
Between 6 and 10 years	0.31

The weighted average duration (based on discounted cashflows) of the defined benefit plan obligation at the end of the reporting period is 24 years.

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	31-Mar-24
Discount rate (per annum)	7.25%
Salary growth rate (per annum)	8.00%

The principal demographic assumptions used in the valuation are shown in the table below:

Particulars	31-Mar-24
Mortality rate	100% of IALM 2012-14
Normal retirement age	60 Years
Attrition rate	16% p.a. for staff 50% p.a. for workers

NOTE - 31
CONTINGENT LIABILITIES

The Company does not have any contingent liabilities as on March 31, 2024

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NOTE: 32
RELATED PARTY TRANSACTIONS

Names of related parties and nature of relationship with whom transactions have taken place:

Name of related parties

Ultimate Holding Company
Aditya Birla Fashion and Retail Limited (with effect from October 30, 2023)

Holding Company
Aditya Birla Digital Fashion Ventures Limited (with effect from October 30, 2023)

Entity controlled by a Key Managerial Personnel
The Indian Garage Co

Key Management Personnel ("KMP")
Prashanth Aluru (with effect from October 30, 2023)
Manish Singhai (with effect from October 30, 2023)
Anant Tanted (with effect from June 12, 2023)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period:

	Period from June 12, 2023 till March 31, 2024			
	Holding Company	Fellow Subsidiaries	Entity controlled by a KMP	KMP
Sublease income	-	-	0.01	-
Service charges	-	-	0.10	-
Sale of traded goods (Refer Note below)	-	-	19.55	-
Purchase of traded goods (Refer Note below)	-	-	26.73	-
Marketplace expenses (Refer Note below)	-	-	15.71	-
Payment towards reimbursement of expenses	-	-	2.11	0.41

Sale of traded goods to a marketplace and purchase of apparel from vendors are routed through The Indian Garage Co and hence disclosed as a related party transaction. The Indian Garage Co is acting as an agent of the Company in respect of these transactions.

Marketplace expenses consists of Advertisement and sales promotion, transportation and handling charges, commission and miscellaneous expenses which are routed through The Indian Garage Co and hence disclosed as a related party transaction. These transactions are recorded on a cost-to-cost basis.

Balances outstanding

	As at March 31, 2024			
	Holding Company	Fellow Subsidiaries	Entity controlled by a KMP	KMP
Amounts receivable	-	-	1.87	-
Amounts payable	-	-	15.00	-

Terms and conditions of transactions with related parties

Amount owed to and by related parties are unsecured and interest free and settlement occurs in cash. For the period ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to KMP.

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NOTE: 33
BUSINESS COMBINATION

Acquisitions during the period ended March 31, 2024

Business acquisition of TIGC

The Company was incorporated on June 12, 2023. Pursuant to a Business Transfer Agreement dated October 28, 2023, the business of manufacture and retail of apparels under the brand names 'The Indian Garage Co.', 'Freehand' and 'Hardsoda' (or 'TIGC business undertaking') were transferred to the Company for a total consideration of ₹ 55.

On October 23, 2023, the Company had entered into a Shareholders Agreement and Share Subscription Agreement with Aditya Birla Digital Fashion Ventures Limited (or "ABDFVL"), Mr. Anant Tanted and Mrs. Ishita Anant Tanted. Subsequently, ABDFVL infused an amount of ₹ 140 into the Company towards subscription of 10,409 equity shares. Pursuant to the infusion and allotment of shares, ABDFVL held 51% equity interest in the Company with effect from October 30, 2023.

The Company has been considered as an extension of ABDFVL, the Holding Company, for acquisition of the TIGC business undertaking. The Company meets the definition of an 'accounting acquirer' and accordingly, the acquisition of the TIGC business undertaking has been accounted as an acquisition as per Ind AS 103, Business Combinations.

Management is in the process of completing the purchase price allocation for the purpose of determining the fair values of assets and liabilities acquired pursuant to the above business combination. As per Ind AS 103, Business Combination, management is permitted to complete the purchase price allocation within a period of 12 months from the date of transfer of control and retrospectively adjust the provisional amounts recorded for assets, liabilities and goodwill. Pending completion of the purchase price allocation, provisional amounts of assets, liabilities and goodwill has been considered in these financial statements.

An amount of ₹ 40 has been paid towards purchase consideration. The balance amount is due for payment on May 31, 2024 and has been disclosed under Note 17, 'Other financial liabilities'.

The details of assets and liabilities taken over, and resultant goodwill is given below:

Particulars	Amount
ASSETS	
Property, plant and equipment	6.48
Brand	118.60
Other intangible assets	0.02
Right of use asset	11.59
Current assets:	
- Inventories	69.71
- Trade receivables	138.95
- Cash and cash equivalents	0.00
- Other financial assets	0.42
- Other current assets	14.75
	360.52
LIABILITIES	
Non-Current Liabilities:	
- Lease liabilities	11.22
- Other financial liabilities	0.01
- Provisions	0.14
- Deferred tax liabilities	29.85
Current Liabilities:	
- Borrowings	19.98
- Trade payables	152.97
- Other financial liabilities	2.60
	216.77
Net identifiable assets acquired [Assets less Liabilities] (A)	**143.75**
Fair value of assets and liabilities transferred attributable to the minority shareholder's interest (Refer Note - 11) (B)	**112.09**
Purchase consideration (C)	**55.00**
Goodwill (D) = [(B+C)-A]	**23.34**

Goodwill is attributable to the workforce acquired and profitability of the acquired business. It will not be deductible for tax purposes.

The fair value of acquired has been disclosed in the table above. Gross contractual amount of the trade receivables is determined to be same as the gross contractual amount.

(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 34
FINANCIAL INSTRUMENTS: FAIR VALUE, RISK MANAGEMENT OBJECTIVES AND POLICIES

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2024 are as follows:

As at March 31, 2024

	FVTPL	FVTOCI	Amortised cost*	Total carrying value	Fair value Level 1	Level 2	Level 3
Financial assets							
Investment in mutual funds (Refer Note - 8(a))	41.63	-	-	41.63	41.63	-	-
Trade receivables (Refer Note - 8(b))	-	-	190.70	190.70	-	-	-
Cash and cash equivalents (Refer Note - 8(c))	-	-	1.35	1.35	-	-	-
Bank balance other than cash and cash equivalents (Refer Note - 8(d))	-	-	1.18	1.18	-	-	-
Other financial assets (Refer Notes - 8(e))	-	-	0.55	0.55	-	-	-
Total	**41.63**	**-**	**193.78**	**235.41**	**41.63**	**-**	**-**
Financial liabilities							
Borrowings (Refer Note - 15)	-	-	1.63	1.63	-	-	-
Trade payables (Refer Note - 16)	-	-	133.43	133.43	-	-	-
Other financial liabilities (Refer Notes - 13 & 17)	-	-	17.47	17.47	-	-	-
Total	**-**	**-**	**152.53**	**152.53**	**-**	**-**	**-**

* Carrying value of financial instruments measured at amortised cost equals to the fair value on account of their short term nature.

B. Risk management objectives and policies

The Company's principal financial liabilities, comprise of 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 trade and other receivables and cash and cash equivalents that are directly attributable to its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Company has not entered into any derivative transactions during the year. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a) 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: price risk, interest rate risk and currency risk.

i) Price risk

The Company invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, price risk is not determined to be significant.

ii) Interest 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 the market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company has a cash credit facility outstanding amounting to ₹ 1.63 which carries a floating interest rate. The impact of the change in interest rates on the Statement of Profit and Loss is not determined to be material.

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iii) Foreign currency risk

The Company has transactions with vendors having their place of business internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to GBP. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency (INR) of the Company. The risk is measured through a forecast of highly probable foreign currency cash flows. The Company is exposed to unhedged foreign currency exposure on March 31, 2024 as stated below:

Currency	Unhedged Foreign currency exposure	
	+ 5%	- 5%
GBP	(0.004)	0.004

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 March 31, 2024.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Company periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The Company only deals with parties which has good credit rating given by external rating agencies or based on the Company's internal assessment.

The Company is exposed to credit risk from its operating activities (primarily trade receivables, mutual funds and security deposits).
The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31,2024 is the carrying amount as provided in Note - 8(b).

c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements

The below tables summarises the maturity profile of the Company's financial liabilities based on contractual payments.

As at March 31, 2024

	Less than 1 years	1 to 5 years	More than 5 years	Total
Borrowings	1.63	-	-	1.63
Lease liabilities	1.82	10.42	6.52	18.76
Other financial liabilities	17.46	0.01	-	17.47
Trade payables	133.43	-	-	133.43
	154.34	**10.43**	**6.52**	**171.29**

The Company has undrawn committed borrowing limit available to the extent of ₹ 32.37 as at March 31, 2024. This includes cash credit of ₹ 15.37 and undrawn sales invoice financing amounting to ₹ 12.00 and undrawn letter of credit facility amounting to ₹ 5.00.

NOTE: 35

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions relating to section 135 of the Companies Act, 2013 are not applicable for the Company since this is the first year of incorporation of the Company.

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NOTE: 36
CAPITAL MANAGEMENT

The Company's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.

The capital structure and funding requirements of the Company are approved by the Board of Directors, and is monitored by various metrics.

The following table summarises the capital of the Company (debts excludes lease liabilities):

	As at March 31, 2024
Short-term debts	1.63
Equity	256.96

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings.

During the year, there has been no breach of in any financial covenants attached to the cash-credit facility.

NOTE: 37
RATIO DISCLOSURES

	As at March 31, 2024
Current ratio (times)[1]	1.86
Debt equity ratio (times)[2]	(0.40)
Debt service coverage ratio (times)[3]	0.39
Return on equity (%)[4]	1.89%
Inventory turnover (times)[5]	3.38
Debtors turnover (times)[6]	1.06
Trade Payables turnover (times)[7]	1.26
Net capital turnover (times)[8]	1.45
Net profit margin (%)[9]	4.79%
Return On Average Capital Employed (%)[10]	5.98%
Return On Investment (%)[11]	3.33%

Ratios have been computed as follows:

1. Current ratio = Current Assets / Current Liabilities (excluding Lease Liabilities accounted as per Ind AS 116)
2. Debt equity ratio = Debt / (Debt + Equity)
Debt = Borrowings (excluding Lease Liabilities accounted as per Ind AS 116) - Cash and Bank Balance (includes fixed deposits) - Liquid Investments
Equity = Equity share capital + Other equity (excluding Ind AS 116)
3. Debt service coverage ratio = Earnings before interest* and tax / [Finance cost* + Principal repayment of borrowings]
4. Return on equity ratio = Profit after tax / Average of opening and closing Net Worth
5. Inventory turnover = Revenue from Operations for the period / Average of opening and closing Inventories
6. Debtors turnover = Revenue from Operations for the period / Average of opening and closing Trade Receivables
7. Trade payables turnover = Total Purchases / Average of opening and closing Trade Payables
8. Net capital turnover = Revenue from Operations for the period / Average of opening and closing Working Capital
9. Net profit margin = Profit after tax / Revenue from Operations
10. Return on Average Capital Employed = Earnings before interest and tax / Average of opening and closing Capital Employed
11. Return on Investment = Earnings before interest and tax / Average of opening and closing Total Assets

* Finance cost/ interest comprises of Interest expense on borrowings and excludes interest expense on lease liabilities and interest charge on fair value of financial instruments.

This is the first year of incorporation for the Company. Accordingly ratios for the comparative period and the related reasons for variance have not been provided.

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Styleverse Lifestyle Private Limited
CIN - U14101KA2023PTC174970
Notes forming part of the Financial Statements
(All amounts in ₹ Crores; unless otherwise stated)

NOTE: 38
SEGMENT INFORMATION
Based on the "management approach", as defined under Ind AS 108 - Operating segments, the operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The board of directors have been identified as the CODM. The CODM has evaluated the performance of the Company based on single operating segment for the purpose of allocation resources and evaluating financial performance.

The Company is domiciled in India and all of its revenue comes from India. There are no assets held by the Company outside India.
Disclosure of revenues and assets within and outside India are as per the table below:

	March 31, 2024
(I) Segment Revenue	
Within India	101.51
Outside India	-
	101.51

	March 31, 2024
(II) Non-current assets*	
Within India	156.67
Outside India	-
	156.67

*excludes Non current tax assets (net)

NOTE: 39
ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III
(i) DETAILS OF BENAMI PROPERTY HELD
No proceedings have been initiated on or are pending against the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.
(ii) COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES
The provisions relating to Section 2(87) of the Companies Act, 2013 read with Companies (Restriction of number of layers) Rules, 2017 are not applicable to the Company.
(iii) RELATIONSHIP WITH STRUCK OFF COMPANIES
The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
(iv) BORROWINGS SECURED AGAINST CURRENT ASSETS
The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.
(v) WILFUL DEFAULTER
The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(vi) COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS
The Company has not entered into any scheme of arrangement which has an accounting impact on the current period.
(vii) UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM
The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), 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.

The Company has not received any funds from any person(s) or entity(ies), 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.

(viii) UNDISCLOSED INCOME
There is no income surrendered or disclosed as income during the current period in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in crypto currency or virtual currency during the current financial period.

(x) VALUATION OF PROPERTY PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS) AND INTANGIBLE ASSETS

The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the current financial period. The Company did not have any investment property during the current financial period.

(xi) REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xii) CORE INVESTMENT COMPANIES

The Company is not a Core Investment Company ('CIC') as defined in the regulations of Reserve Bank of India, However the Group has 8 CICs (registered and unregistered) which are part of the Group.

(xiii) UTILISATION OF BORROWINGS AVAILED FROM BANKS AND FINANCIAL INSTITUTIONS

There were no term loans which were availed by the Company from banks or financial instruments during the period

NOTE 40 :

SUMMARY OF OTHER ACCOUNTING POLICIES

This note provides a list of other accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the statement of profit and loss.

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings.

(ii) Taxes

Current tax

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in India.

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and labilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from initial recognition of an asset or liability in a transaction that is not a business combination and affects nether accounting nor taxable profits or losses at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset Is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date

(iii) Financial instruments

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.
Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the statement of profit and loss.
Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date.
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.
For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories:
(a) Non-derivative financial assets
(i) Financial assets at amortised cost
Financial asset is measured at amortised cost using Effective Interest Rate (EIR), if both the conditions are met:
• The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Effective Interest Rate (EIR) method:

The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is recognised in the statement of profit and loss and is included in the 'Other income' line item.

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

An instrument shall be measured at FVTOCI, if both of the following conditions are met:
• The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
• The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).
Financial assets included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction cost. Fair value movements are recognised in other comprehensive income. However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain/ (loss) in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or FVTOCI criteria (refer above) are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or financial assets that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the statement of profit and loss. The net gain or loss recognised in the statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

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Impairment of financial assets:
The Company follows the simplified approach method for computing the expected credit loss. The Company is majorly having transaction with B2B, market places and with direct to customers (D2C) through payment gateways, hence the Company has assessed the provision for loss allowances on an individual case basis.

The Company determines whether it is necessary to recognise an impairment loss on its investment in its subsidiaries. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiaries is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiaries and joint venture and its carrying value, and then recognises the impairment loss in the statement of profit and loss.

(b) Non derivative financial liabilities
(i) Classification as debt or equity
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
(1) Equity instruments:
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.
(2) Financial liabilities:
All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.
However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.
Financial liabilities at FVTPL:
Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.
A financial liability is classified as held for trading, if:
- It has been acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not a financial guarantee contract or designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may, be designated as at FVTPL upon initial recognition, if:
- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contracts to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the statement of profit and loss.

However, financial liabilities that are not held-for-trading and are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the statement of profit and loss, in which case these effects of changes in credit risk are recognised in the statement of profit and loss. The remaining amount of change in the fair value of liability is always recognised in the statement of profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in other comprehensive income under other equity and are not subsequently reclassified to the statement of profit and loss.

Financial liabilities subsequently measured at amortised cost:
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

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(ii) Loans and borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as the transaction cost of the loan to the extent it is probable that some or all of the facility will be drawn down, the fees are deferred until the draw down occurs. To the extent that there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity and amortised over the period of facility to which it relates.

(iii) Foreign exchange gains and losses
The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.
• For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the statement of profit and loss, except for those which are designated as hedging instruments in a hedging relationship.
• For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the statement of profit and loss, and other changes in the fair value of FVTOCI financial assets are recognised in OCI.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.
The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.
De-recognition of financial assets and financial liabilities
The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the statement of profit and loss, if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

The Company de-recognises financial liabilities only when the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.
Offsetting financial instruments
Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

(iv) Provisions and contingent liabilities
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursements.
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
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, is disclosed as a contingent liability. Contingent liabilities are also 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.
Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.
Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

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(v) Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are recognised as an expense on accrual basis.

(b) Defined contribution plan

The Company makes defined contribution to the Government Employee Provident Fund, which is recognised in the statement of profit and loss, on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

(c) Defined benefit plan

The Company operates a defined benefit gratuity plan in India. The Company contributes to a gratuity fund maintained by an independent insurance company. The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in the 'Employee benefits expense' in the statement of profit and loss. Re-measurement gains or losses (excluding amounts included in net Interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. These are presented as re-measurement gains or losses on defined benefit plans under other comprehensive income in other equity. Remeasurements gains or losses are not reclassified subsequently to the statement of profit and loss.

(d) Compensated absences

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields of government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

The Company presents the provision for compensated absences as a current liability in the Balance Sheet, since it does not have an unconditional right to defer its settlement beyond a period of twelve months after the reporting date

(vi) Other Income

Interest income on all debt instruments is measured at amortised cost. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest income is included in other income in the Statement of Profit and Loss

(vii) Business combination and goodwill

Business Combinations are accounted for using the acquisition method. Cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are recognised in Standalone statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind-AS.

Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to or has rights to variable returns from its involvement with the business acquired and has the ability to affect those returns through power over the undertaking.

At the acquisition date, goodwill on business combination is initially measured at cost, being the excess of the sum of the consideration transferred over the net identifiable assets acquired and the liabilities assumed.

On disposal of the relevant cash-generating unit or business undertaking, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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(viii) Impairment of non-financial asset

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment based on internal/ external factors. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An asset's recoverable amount is higher of an asset's or cash-generating unit's (CGUs) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rates, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually as at reporting date. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Statement of Profit and Loss.

Reversal of impairment losses except on goodwill is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(ix) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

(x) Inventories

Raw materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

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

Obsolete and defective inventory are duly provided for, basis the management estimates.

(xi) Property, Plant and equipment

Property, plant and equipment is recognised at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes taxes, duties, freight and other incidental expenses, related to the acquisition and installation of the asset concerned and borrowing costs for long-term construction projects, if the recognition criteria is met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss, during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost net of accumulated impairment losses, if any.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Based on managements' assessment, items of property, plant and equipment individually costing less than five thousand rupees, are depreciated within one year from the date the asset is ready to use or useful life of class of asset to which these assets belong.

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(xii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss, in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for intangible assets are reviewed at least at the end of each reporting period and changes if any, made on prospective basis. The amortisation expense is recognised in the Statement of Profit and Loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

(xiii) Fair value measurements and hierarchy

The Company measures financial instruments, such as investments and derivatives at fair value at each Balance Sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(a) In the principal market for the asset or liability; or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.
The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on its nature, characteristics and risks:

Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTE 41 : The Company was incorporated on June 12, 2023 and accordingly corresponding amounts for previous reporting period are not applicable.

As per our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
ICAI Firm Registration No. 304026E/E300009

Praveen C G
Partner
Membership Number: 214797
Place: Bengaluru
Date : May 27, 2024

For and on behalf of the Board of Directors of Styleverse Lifestyle Private Limited

Anant Tanted
Director
DIN: 02111609
Place: Bengaluru
Date : May 27, 2024

Manish Singhai
Director
DIN: 09657669
Place: Bengaluru
Date : May 27, 2024