



PRAKASH S. JAIN & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
Kimirica Lifestyle Private Limited,

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS Financial Statements of **Kimirica Lifestyle Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, statement of Changes in Equity, the Statement of Cash Flows for the year ended on that date and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Standalone Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.



Other Information

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report 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 during the course of our audit or otherwise appears to be free from materially misstated.

When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) 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.

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.

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



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

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.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- 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.
- 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.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all



relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are

Therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure- 1**" a statement on the matters specified in paragraphs 3 & 4 of the said Order.
2. As required by section 143(3) of the Act, we report that: -
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate Report in **Annexure - 2**.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;



In our opinion and to the best of our information and according to explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect the other matters to be included in the Auditor' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according the information and explanations given to us:

- (i) The Company does not have any pending litigations which would impact its financial position as on March 31, 2024.
- (ii) The Company does not have any material foreseeable losses on long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The management has represented that, to the best of its knowledge and belief, 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 or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- (v) No dividend have been declared or paid during the year by the Company.



(vi) Based on our examination which included test checks, the company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility except in the period beginning from 1 April 2023 to 11 May 2023 wherein the feature of recording audit trail (edit log) facility was not enabled. Further, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software except for the instances reported above. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For, Prakash S. Jain & Co.
Chartered Accountant
FRN:-002423C

Place :

Date :

07 AUG 2024


CA. Gaurav Thepadia
Partner

M.No. 405326

UDIN : 24405326BKEDC82847



Annexure '1' to the Independent Auditor's Report

(Referred to in our Independent Auditor Report of even date to the members of Kimirica Lifestyle Private Limited on accounts for the year ended March 31, 2024)

(i) In respect of its Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to information and explanations given to us the immovable properties (except properties which are leased by the company with duly executed lease agreements in the company's favour) disclosed in the Financial Statements are held in the name of the company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

(ii) (a) As per explanations to us, inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable and procedures and coverage followed by management were appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on physical verification.

(b) The Company has not been sanctioned working capital limits in excess of INR 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting of the Order is not applicable.

(iii) Company has not made investments in, provided any guarantee or security or granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, to any other parties hence reporting under this clause is not applicable to the company.



- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan or made any investment or provided any guarantee or granted any security in terms of section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the meaning of sections 73 to 76 of the Act. Hence, reporting under clause 3(v) of the order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, wherever applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).
- (ix) (a) In our Opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanation given to us, the Company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.
- (d) The Company has not raised any funds on short term basis hence reporting under clause 3(ix)(d) of the order is not applicable.
- (e) On overall examination of the Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.



- (f) According to the information and explanation given to us and procedures applied by us, we report that the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures fully, partially or optionally). Accordingly, provisions of clause 3(x)(b) of the order are not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us by the management, there were no whistle-blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provision of the Companies Act, 2013.
- (b) The audit system is not Applicable to the Company, hence internal audit reports is not considered.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.



- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses of INR 5.59 Crores during the current financial year covered by our audit and INR 14.41 crores immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) Corporate Social Responsibility (CSR) under sub-section (5) of Section 135 of the Act is not applicable to the company. Accordingly, reporting under clause 3(xx)(a) &(b) of the Order is not applicable for the year.
- (xxi) The company is not required to prepare Consolidate Financial Statement hence this clause is not applicable.

For, Prakash S. Jain & Co.
Chartered Accountant
FRN:-002423C

Place :

Date **07 AUG 2024**


CA. Gaurav Thepadia
Partner

M.No. 405326

UDIN : 24405326RCDCB2847



Annexure '2' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kimirica Lifestyle Private Limited of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Kimirica Lifestyle Private Limited (the "Company")** as of March 31, 2024 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting



Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Prakash S. Jain & Co.
Chartered Accountant
FRN:-002423C

Place :

Date :

07 AUG 2024


CA. Gaurav Thepadia
Partner

M.No. 405326

UDIN : 24405326BKCDCB2847



KIMIRICA LIFESTYLE PRIVATE LIMITED**Balance Sheet as at March 31, 2024**

(All amounts are in Indian Rupee thousands, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	3	13,607	19,441
Goodwill	4	4,243	4,243
Other intangible assets	4	8,734	630
Right-of-use assets	5	32,784	78,619
Financial assets			
Other financial assets	6	10,014	22,147
Income tax assets	7	4,073	779
Deferred tax assets	8	78,785	49,771
TOTAL NON-CURRENT ASSETS		1,52,240	1,75,630
CURRENT ASSETS			
Inventories	9	35,844	46,804
Financial assets			
Trade receivables	10	30,337	27,410
Cash and cash equivalents	11	8,309	9,157
Bank balances other than above	12	10,000	-
Other financial assets	13	-	1,442
Other current assets	14	22,252	37,894
TOTAL CURRENT ASSETS		1,06,742	1,22,707
TOTAL ASSETS		2,58,982	2,98,337
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15	100	100
Instrument entirely equity in nature	15	43	43
Other equity	16	65,039	1,32,364
TOTAL EQUITY		65,182	1,32,507
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Lease liabilities	18	18,774	62,513
Provisions	21	2,085	2,117
TOTAL NON-CURRENT LIABILITIES		20,859	64,630
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	17	17,278	-
Lease liabilities	18	18,245	21,392
Trade payables			
Dues of small enterprises and micro enterprises	19	78,797	5,672
Dues of creditors other than micro enterprises and small enterprises	19	46,441	55,001
Other financial liabilities	20	7,721	10,506
Provisions	21	111	137
Other current liabilities	22	4,348	8,492
TOTAL CURRENT LIABILITIES		1,72,941	1,01,200
TOTAL LIABILITIES		1,93,800	1,65,830
TOTAL EQUITY AND LIABILITIES		2,58,982	2,98,337

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

As per our report of even date attached

For **Prakash S Jain & Co.**

Chartered Accountants

FRN: 002423C

Gaurav Thepadia

Partner

MN: 405326

Place: Indore

Date: _____, 2024



For and on behalf of the Board of Directors of

Kimirica Lifestyle Private Limited

CIN: U24246MP2022PTC059090

Mohit Jain

Director

DIN: 01602784

Place: Indore

Date: _____, 2024

Rajat Jain

Director

DIN: 01510188

Place: Indore

Date: _____, 2024



KIMIRICA LIFESTYLE PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2024

(All amounts are in Indian Rupee thousands, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	23	2,66,859	1,63,555
Other income	24	7,618	4,910
Total income		2,74,477	1,68,465
Expenses			
Purchase of stock-in-trade	25	77,965	88,563
Changes in inventories of stock-in-trade	26	10,960	(37,976)
Employee benefit expense	27	63,802	55,876
Finance costs	28	10,213	6,608
Depreciation and amortisation expense	29	28,957	28,424
Other expenses	30	1,79,148	1,99,520
Total expenses		3,71,045	3,41,015
(Loss) before tax		(96,568)	(1,72,550)
Tax expense			
Current tax	31	-	-
Deferred tax	31	(29,012)	(49,767)
Total tax expense		(29,012)	(49,767)
(Loss) for the year/period		(67,556)	(1,22,783)
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss in subsequent periods			
Net gain / (loss) on re-measurement of defined benefit plan	39	(231)	(15)
Taxes on above gain/(loss)	31	-	(4)
Other comprehensive (loss) for the year/period		(231)	(19)
Total comprehensive (loss) for the year/period		(67,325)	(1,22,764)
Earnings/(Loss) per equity share (face value of Rs. 10 each)			
Basic (Rs.)	32	(6,756)	(12,278)
Diluted (Rs.)	32	(6,756)	(12,278)

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

As per our report of even date attached

 For **Prakash S Jain & Co.**

Chartered Accountants

FRN: 002423C

Gaurav Thepadia

Partner

MN: 405326

Place: Indore

Date: _____, 2024



For and on behalf of the Board of Directors of

Kimirica Lifestyle Private Limited

CIN: U24246MP2022PTC059090

Mohit Jain

Director

DIN: 01602784

Place: Indore

Date: _____, 2024

Rajat Jain

Director

DIN: 01510188

Place: Indore

Date: _____, 2024



KIMIRICA LIFESTYLE PRIVATE LIMITED
Statement of Cash Flow for the year ended March 31, 2024

(All amounts are in Indian Rupee thousands, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities		
(Loss) before tax	(96,568)	(1,72,550)
Adjustments for:		
Depreciation and amortisation expense	28,957	28,424
Interest income on security deposits & fixed deposits	(1,222)	(4,874)
Interest on lease liabilities	5,657	6,171
Loss allowance on trade receivables	315	620
Finance costs	1,525	437
Operating (loss) before working capital changes	(61,336)	(1,41,772)
Movements in working capital:		
(Increase) in Inventories	10,959	(37,976)
(Increase) in trade receivables	(3,242)	(25,733)
(Increase) in other current and non current financial assets	14,202	(3,827)
(Increase) in other assets	15,642	(32,137)
Increase in non current and current provisions	173	1,675
Increase in trade payables	64,565	42,116
Increase/(Decrease) in other current liabilities	(6,929)	14,996
Cash flow from (used in) operating activities	95,370	(40,886)
Income tax paid	3,294	779
Net cash (used in) operating activities (A)	30,740	(1,83,437)
B. Cash flow from investing activities		
Purchase of property, plant & equipment	(23,123)	(20,854)
Purchase of intangible assets	(8,104)	(281)
Interest income on fixed deposits	594	4,201
Investment in fixed deposits (more than 3 months)	(10,000)	(11,350)
Redemption of fixed deposits (more than 3 months)	-	98,609
Net cash (used in)/generated from investing activities (B)	(40,633)	70,326
C. Cash flow from financing activities		
Repayment of lease liabilities	(6,708)	(18,393)
Proceeds from borrowings	17,278	-
Finance Cost	(1,525)	(6,608)
Net cash generated from financing activities (C)	9,045	(25,001)
Net increase in cash and cash equivalents (A+B+C)	(848)	(1,38,114)
Cash and cash equivalents at the beginning of the period	9,157	1,47,270
Cash and cash equivalents at the end of the period	8,309	9,157
Components of cash and cash equivalents:		
Cash on hand	486	589
Balance with banks		
In current accounts	7,823	8,568
In deposits with original maturity of less than 3 months	-	-
Total cash and cash equivalents (refer note 12)	8,309	9,157
Cash and cash equivalents for Statement of Cash flows	8,309	9,157

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

As per our report of even date

For Prakash S Jain & Co.

Chartered Accountants

FRN: 002423C

Gaurav Thepadia

Partner

MN: 405326

Place: Indore

Date: _____, 2024



For and on behalf of the Board of Directors of

Kimirica Lifestyle Private Limited

CIN: U24246MP2022PTC059090

Mohit Jain

Director

DIN: 01602784

Place: Indore

Date: _____, 2024

Rajat Jain

Director

DIN: 01510188

Place: Indore

Date: _____, 2024



KIMIRICA LIFESTYLE PRIVATE LIMITED

Statement of Changes in Equity for the year ended March 31, 2024

(All amounts are in Indian Rupees thousands, unless otherwise stated)

A. Share capital

Particulars	March 31, 2024		March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Issued, subscribed and paid up capital				
<u>Equity Shares of Rs. 10 each, fully paid up</u>				
At the beginning of the period	10,000	1,000	10,000	1,000
Issued during the year/period	-	-	-	-
At the end of the period	10,000	1,000	10,000	1,000
Issued, subscribed and paid up capital				
<u>Compulsorily convertible preference shares of Rs 10 each, fully</u>				
At the beginning of the period	4,286	43	4,286	43
Issued during the year	-	-	-	-
At the end of the period	4,286	43	4,286	43

B. Other equity

	Reserve and surplus		
	Securities premium	Retained earnings	Total
As at April 1, 2023	2,69,200	(1,36,836)	1,32,364
(Loss) for the year	-	(67,556)	(67,556)
Other comprehensive income/(loss)	-	231	231
Balance as at March 31, 2024	2,69,200	(2,04,161)	65,039
As at April 1, 2022	2,69,200	(14,072)	2,55,128
(Loss) for the year	-	(1,22,783)	(1,22,783)
Other comprehensive income/(loss)	-	19	19
Balance as at March 31, 2023	2,69,200	(1,36,836)	1,32,364

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

Securities premium: This reserve is used to record premium on issue of shares and can be utilised only for limited purpose in accordance with the provisions of the Companies Act, 2013.

There are no changes in equity share capital and other equity due to prior period errors.

As per our report of even date attached.

For Prakash S Jain & Co.

Chartered Accountants

FRN: 002423C

Gaurav Thepadia

Partner

MN: 405326

For and on behalf of the Board of Directors of

Kimirica Lifestyle Private Limited

CIN: U24246MP2022PTC059090

Mohit Jain

Director

DIN: 01602784

Rajat Jain

Director

DIN: 01602784

Place: Indore

Date: _____, 2024

Place: Indore

Date: _____

Place: Indore

Date: _____, 2024



1 COMPANY INFORMATION

Kimirica Lifestyle Private Limited ("Company") was incorporated on 7 January 2022 under the Companies Act, 2013. The registered office of the Company is in Indore, Madhya Pradesh, India. The principal place of business of the Company is in India. The Company is engaged in the business of bath and body, skin care and wellness products.

2.1 Basis of preparation, measurement and significant accounting policies**A. Statement of Compliance**

These 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 from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable. The Company has voluntarily adopted Ind AS. The Financial Statements of the Company comprise of the Balance Sheet as at March 31, 2023, 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 ending March 31, 2023 (hereinafter collectively referred to as "Financial Statements").

B. Basis of Preparation

These financial statements have been prepared on historical cost basis except for certain financial instruments and defined benefit plans which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of goods sold to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such goods rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

The Financial Statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS), as notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

The Financial Statements has been presented in Indian Rupee (₹), which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. All amounts have been rounded-off to the nearest rupee and decimals thereof, unless otherwise mentioned.

D. Use of estimates, assumptions and judgements

The preparation of Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent liabilities on the date of Financial Statements and the reported amount of income and expenses for the year reported. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Assumption and estimation uncertainties:

Information about assumptions, judgements and estimation uncertainties that have a significant risk of resulting in a material adjustment in the amounts recognised in the Standalone Financial Statements is included in the following notes:

- Note 2.2 (e) - Impairment test of non-financial assets and financial assets
- Note 2.2 (i)(ii) - Measurement of defined benefit obligations: key actuarial assumptions
- Note 2.2 (i)(ii) - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 2.2 (f) - Provision for obsolete inventory

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

All other assets are classified as non-current.



A liability is 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 non-current liabilities.

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

F. Fair value measurement

The Company measures financial instruments 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:

- In the principal market for the asset or liability, or
- 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 economic best 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 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- 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 categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed in note 34.

2.2 Summary of significant accounting policies

(a) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

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

Goods and services tax (GST), as applicable, is not received by the Company on its own account and is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized.

Sale of product

Revenue is recognised upon transfer of control of products to customer in an amount that reflects the consideration which the Company expects to receive in exchange for products. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.



Right of Return Assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund Liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer. The Company's refund liabilities arise from customers' right of return and volume rebates. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(2) Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in 'other income' in the statement of profit and loss.

(b) Property, Plant and Equipment**Recognition and measurement**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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 and is measured at cost, net of accumulated depreciation and accumulated impairment loss, if any.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition for its intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the subsequent expenditure can be measured reliably. All repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Capital work in progress and Capital advances:

Advances paid to acquire property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets or Other Current Assets as applicable. Cost incurred on property, plant and equipment not ready for their intended use is disclosed as Capital Work-in-Progress and is stated at cost.

Depreciation and useful lives:

Depreciation on the property, plant & equipment is provided using Straight Line Method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Leasehold improvements are amortised on a straight line basis over the primary lease or the extended lease period, as applicable. Depreciation on property, plant and equipment which are added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/deletion.

Tangible Asset	Useful Life
Furniture and fixtures	10 years
Office equipment	5 years
Plant and Machinery	15 years
Computers	3 years
Leasehold Improvements	Lease term

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Changes in expected useful life is treated as change in accounting estimates.

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset measured as the difference between the net disposal proceeds and the carrying amount of the asset and is included in the statement of profit and loss when the asset is derecognised.

(c) Intangible assets**Recognition and measurement**

Intangible assets comprise primarily of brands trademarks and software. Intangible assets acquired separately are initially recorded at cost. Following initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Intangibles assets have been recorded on Fair Value.



Subsequent expenditure

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

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful economic lives using the straight line method. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets is recognised as depreciation and amortisation expense in the Statement of profit and loss. The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible Asset	Useful Life
Trademark	5 years
Content	5 years
Software	3 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. 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 derecognised.

(d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquirer are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. 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 recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combinations under common control are accounted using pooling of interest method as per the requirement of Ind AS 103 - Business Combination.

(e) Impairment**Non-financial assets**

As at the end of each accounting year, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill is tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).



For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realisable value is made on an item-by-item basis.

An inventory provision is recognised for cases where the net realisable value is estimated to be lower than the inventory carrying value. Inventories are stated net of write down or allowances on account of obsolescence, damage or slow moving items. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

(g) 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 the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, 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 at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the Statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(1) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(2) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.



Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(h) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cash at banks, other short-term, highly liquid investments 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, and bank overdrafts.

Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts and cash credits which are repayable on demand form an integral part of Company's cash management and are included as a component of cash and cash equivalents.

(i) Employee Benefits**(i) Defined Contribution Plan**

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

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the period/year when the contribution to the funds is due. There are no other obligations other than the contribution payable to the fund. The Company recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

(ii) Defined Benefit Plan

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

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

All remeasurement gains and losses arising from defined benefit plans are recognised in the statement of other comprehensive income in the period in which they occur and not reclassified to the statement of profit and loss in the subsequent period. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

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



(iii) Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

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

(iv) Other long-term employee benefits:

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

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the balance sheet date.

(j) Borrowing Costs

Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method;
- (ii) finance charges in respect of leases;
- (iii) interest expenses on bill discounting; and
- (iv) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added capitalised as a part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs incurred in connection with the arrangement of borrowing to the extent they are regarded as adjustment to the interest cost. All other borrowing costs are recognised in the restated consolidated statement of profit and loss in the period in which they are incurred.

(k) Leases

The company has applied Ind AS 116 for the purpose of preparation of Financial Statement, the management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for the period ended 31st March 2023.

The Company assesses whether a contract is or contains a lease, at inception of a contract. 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 assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

The company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Right-of-use assets

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



Lease liability

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

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

Short-term leases and leases of low-value assets

The Company has applied 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) and low-value assets recognition exemption to leases where the underlying asset is considered to be of low value.

(I) Income Taxes

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

(i) Current tax

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

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

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts tax bases of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes at the reported date. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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



(m) Provisions, Contingent liabilities and Contingent assets**(i) General provision**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ii) Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

(iii) Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(n) Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

2.3 Recent accounting developments and pronouncements

Recent Accounting developments and pronouncements :-

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022.

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3 Property, plant and equipment

Particulars	Furniture and Fixtures	Office Equipment	Computers	Plant and Machinery	Leasehold Improvements	Total
Cost						
As at March 31, 2022	903	722	548	-	-	2,173
Additions during the year	5,614	597	4,535	153	9,955	20,854
Disposals during the year	-	-	-	-	-	-
As at March 31, 2023	6,517	1,319	5,083	153	9,955	23,027
Additions during the year	81	314	122	7	-	523
Disposals during the year	(198)	-	-	-	(311)	(509)
As at March 31, 2024	6,400	1,633	5,205	160	9,644	23,040
Accumulated depreciation						
As at March 31, 2022	14	20	25	-	-	59
Charge for the year	294	193	1,014	6	2,020	3,527
Disposal during the year	-	-	-	-	-	-
As at March 31, 2023	308	213	1,039	6	2,020	3,586
Charge for the year	765	271	1,636	10	3,328	6,011
Disposal during the year	(29)	-	-	-	(136)	(164)
As at March 31, 2024	1,044	484	2,675	16	5,212	9,433
Net book value						
As at March 31, 2023	6,209	1,107	4,043	147	7,935	19,441
As at March 31, 2024	5,356	1,149	2,530	145	4,432	13,607

4 Intangible assets

Particulars	Trademarks	Software	Content (Founders Story)	Total other intangible assets	Goodwill
Cost					
As at March 31, 2022	475	-	-	475	4,243
Additions during the year	19	262	-	281	-
Disposals during the year	-	-	-	-	-
As at March 31, 2023	494	262	-	756	4,243
Additions during the year	47	-	8,383	8,430	-
Disposals during the year	-	-	-	-	-
As at March 31, 2024	541	262	8,383	9,186	4,243
Accumulated Amortisation					
As at March 31, 2022	10	-	-	10	-
Charge for the year	92	24	-	116	-
Disposal during the year	-	-	-	-	-
As at March 31, 2023	102	24	-	126	-
Charge for the year	98	87	140	325	-
Disposal during the year	-	-	-	-	-
As at March 31, 2024	201	111	140	452	-
Net book value					
As at March 31, 2023	392	238	-	630	4,243
As at March 31, 2024	340	150	8,244	8,734	4,243



KIMIRICA LIFESTYLE PRIVATE LIMITED

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

(All amounts are in Indian Rupee thousands, unless otherwise stated)

5 Right-of-use assets

Particulars	Premises	Security Deposits	Premises
Cost			
As at March 31, 2022	61,991	1,733	63,724
Additions during the year	41,500	1,508	43,008
Disposals during the year	-	-	-
As at March 31, 2023	1,03,491	3,241	1,06,732
Additions during the year	-	-	-
Disposals during the year	(39,220)	(639)	(39,919)
As at March 31, 2024	64,271	2,542	66,813
Accumulated amortisation			
As at March 31, 2022	3,240	92	3,332
Charge for the year	24,036	745	24,781
Disposal during the year	-	-	-
As at March 31, 2023	27,276	837	28,113
Charge for the year	21,953	668	22,621
Disposal during the year	(16,705)	-	(16,705)
As at March 31, 2024	32,524	1,505	34,029
Net Block*			
As at March 31, 2023	76,215	2,404	78,619
As at March 31, 2024	31,747	1,037	32,784

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KIMIRICA LIFESTYLE PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupee thousands, unless otherwise stated)

6 Other financial assets (at amortised cost)

Particulars	March 31, 2024	March 31, 2023
Security deposits (Unsecured, considered good)	10,014	10,797
Fixed deposits (with original maturity of more than 12 months)	-	11,350
Total	10,014	22,147

7 Income tax assets

Particulars	March 31, 2024	March 31, 2023
Tax deducted at source	4,073	779
Total	4,073	779

8 Deferred tax asset

Particulars	March 31, 2024	March 31, 2023
Deferred Tax Asset	78,785	49,771
Total	78,785	49,771

9 Inventories

Particulars	March 31, 2024	March 31, 2023
(Lower of cost and net realisable value)		
Stock in Trade	35,844	46,804
Total	35,844	46,804

10 Trade receivables (at amortised cost)

Particulars	March 31, 2024	March 31, 2023
Trade receivables considered good – unsecured	30,284	27,410
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	988	620
	31,272	28,030
Less: Loss allowance	935	620
Total	30,337	27,410

(a) Trade receivables are non-interest bearing and are generally on terms of 2 to 45 days.

(b) Trade receivables does not include any debts which are due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

(c) Trade receivables ageing schedule:

	Outstanding for following periods from the date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024						
Undisputed Trade Receivables - considered good	26,135	4,148	-	-	-	30,284
Undisputed Trade Receivables – credit impaired	-	-	988	-	-	988
	26,135	4,148	-	-	-	31,272
Less: Loss allowance	-	-	935	-	-	935
	26,135	4,148	(935)	-	-	30,337
As at March 31, 2023						
Undisputed Trade Receivables - considered good	1,931	25,479	-	-	-	27,410
Undisputed Trade Receivables – credit impaired	-	620	-	-	-	620
	1,931	26,099	-	-	-	28,030
Less: Loss allowance	-	620	-	-	-	620
	1,931	25,479	-	-	-	27,410

Note: There are no unbilled dues as at March 31, 2024 and March 31, 2023.



11 Cash and cash equivalents

Particulars	March 31, 2024	March 31, 2023
Cash on hand	486	589
Balances with banks		
In current accounts	7,823	8,568
Total	8,309	9,157

12 Bank balances other than above

Particulars	March 31, 2024	March 31, 2023
Balances with banks		
In Deposits Accounts (with original maturity of more than 3 months but less than 12 months)	10,000	-
Total	10,000	-

13 Other financial assets (at amortised cost)

Particulars	March 31, 2024	March 31, 2023
Other receivables	-	1,442
Total	-	1,442

14 Other current assets

Particulars	March 31, 2024	March 31, 2023
Current		
<i>Unsecured, considered good unless otherwise stated</i>		
Balances with Government Authorities	21,986	27,856
Right of return assets*	266	822
Prepaid expenses	-	9,137
Other advances**	-	79
Total	22,252	37,894

Note:

* Right of return assets include cost of goods sold on products that are shipped not delivered as on March 31, 2024 and returns.

**There are no advances to directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

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KIMIRICA LIFESTYLE PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupee thousands, unless otherwise stated)

15 Share capital

Particulars	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of Rs 10 each	50,000	500	50,000	500
Compulsorily convertible preference shares of Rs 10 each	1,00,000	1,000	1,00,000	1,000
Issued, subscribed and fully paid up shares:				
Equity share capital				
Equity shares of Rs 10 each fully paid up	10,000	100	10,000	100
Preference Share Capital				
Compulsorily convertible preference shares of Rs 10 each	4,286	43	4,286	43
	14,286	143	14,286	143

(a) Reconciliation of the number of shares

Particulars	March 31, 2024		March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
<u>Equity shares of Rs. 10 each, fully paid-up</u>				
At the beginning of the year	10,000	100	10,000	100
Shares issued during the period	-	-	-	-
Changes during the year	-	-	-	-
Outstanding at the end of the year	10,000	100	10,000	100
<u>Compulsorily convertible preference shares of Rs. 10 each, fully paid-up</u>				
At the beginning of the year	4,286	43	4,286	43
Shares issued during the period	-	-	-	-
Changes during the year	-	-	-	-
Outstanding at the end of the year	4,286	43	4,286	43
Equity shares represents equity shares of Rs 10 each, fully paid up	10,000	100	10,000	100
Compulsorily convertible preference shares of Rs. 10 each, fully paid-up	4,286	43	4,286	43
	14,286	143	14,286	143

(b) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms/ rights attached to compulsorily convertible preference shares:

Each compulsorily convertible preference share has a par value of INR 10 and is compulsorily convertible at the option of the shareholders into Equity shares of the parent of the Group. The shareholder may convert the Preference Shares into Equity Shares, at the sole option of the Investor by giving a 15 (fifteen) Days' notice to Kimirica Lifestyle. The ratio of the said conversion from Preference Shares into Equity Shares shall be 1:1 at the time of conversion. In case the Preference Shares are not converted prior to 20 (twenty) years from the date of issue, the same shall automatically get converted to Equity Shares immediately upon expiry of 20 (twenty) years from the date of issuance.



(c) Details of shareholders holding more than 5% shares of a class of shares in the Company:

Particulars	March 31, 2024		March 31, 2023	
	Number of shares	% Holding in shares	Number of shares	% Holding in shares
Equity shares of Rs. 10, fully paid up				
Kimi Jain	2,643	18.50%	2,643	18.50%
Rica Jain	2,643	18.50%	2,643	18.50%
Rajat Jain	1,762	12.34%	1,762	12.34%
Mohit Jain	1,762	12.33%	1,762	12.33%
Hunter Amenities International Limited	714	5.00%	714	5.00%
Compulsorily convertible preference shares of Rs. 10, fully paid up				
HOB Ventures Private Limited	4,286	30.00%	4,286	30.00%

(d) Details of equity shares held by promoters - Equity shares of Rs. 10 each, fully paid-up

Promoters' name	March 31, 2024				
	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% change during the year
Kimi Jain	2,643	-	2,643	18.50%	0.00%
Rica Jain	2,643	-	2,643	18.50%	0.00%
Rajat Jain	1,762	-	1,762	12.34%	0.00%
Mohit Jain	1,762	-	1,762	12.33%	0.00%
Promoters' name	March 31, 2023				
	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total shares	% change during the year
Kimi Jain	2,643	-	2,643	18.50%	0.00%
Rica Jain	2,643	-	2,643	18.50%	0.00%
Rajat Jain	1,762	-	1,762	12.34%	0.00%
Mohit Jain	1,762	-	1,762	12.33%	0.00%
Promoters' name	March 31, 2022				
	No. of shares at the beginning of the period	Changes during the period	No. of shares at the end of the period	% of total shares	% change during the period
Kimi Jain	-	2,643	2,643	18.50%	18.50%
Rica Jain	-	2,643	2,643	18.50%	18.50%
Rajat Jain	-	1,762	1,762	12.34%	12.34%
Mohit Jain	-	1,762	1,762	12.33%	12.33%

- (e) The Company has not issued any bonus shares or shares for consideration other than cash and has not bought back any shares since the date of incorporation.

16 Other equity

Particulars	March 31, 2024	March 31, 2023
Securities premium	2,69,200	2,69,200
Retained earnings	(2,04,161)	(1,36,836)
	65,039	1,32,364
Securities premium		
Balance at the beginning of the year	2,69,200	2,69,200
Cost of issue of Compulsorily convertible preference shares	-	-
Balance at the end of the year	2,69,200	2,69,200
Retained earnings		
Balance at the beginning of the year	(1,36,836)	(14,072)
Loss for the year	(67,556)	(1,22,783)
Other comprehensive income/ (loss) for the year	231	19
Balance at the end of the year	(2,04,161)	(1,36,836)



17 Borrowings

(Unsecured at amortised cost)

Particulars	March 31, 2024	March 31, 2023
Current		
Loan from related parties	17,278	-
	<u>17,278</u>	<u>-</u>

18 Lease liabilities

Particulars	March 31, 2024	March 31, 2023
Non Current		
Lease liabilities	18,774	62,513
	<u>18,774</u>	<u>62,513</u>
Current		
Lease liabilities	18,245	21,392
	<u>18,245</u>	<u>21,392</u>

19 Trade payables (at amortised cost)

Particulars	March 31, 2024	March 31, 2023
(i) Total outstanding dues of micro enterprise and small enterprise	78,797	5,672
(ii) Total outstanding dues of creditors other than micro enterprise and small enterprise	46,441	55,001
	<u>1,25,238</u>	<u>60,673</u>

(a) Trade payables are non-interest bearing and are normally settled on 0 to 30 day terms.

(b) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) under the Chapter on Delayed Payments to Micro, Small and Medium Enterprises which are also required as per Ind AS Schedule III:

The management has identified enterprises who have provided goods and services to the Company and currently in the process of identifying those enterprises which qualify under the definition of micro and small enterprises, as defined under MSME Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at year end has been made in the financials statements based on information received and available with the Company.

Particulars	March 31, 2024	March 31, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	71,334	5,672
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The 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 Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	<u>71,334</u>	<u>5,672</u>

(c) Trade payables ageing schedule

	Ageing for trade payables from the date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
(i) MSME	71,130	204	-	-	71,334
(ii) Others	46,441	-	-	-	46,441
(iii) Disputed dues	-	-	-	-	-
	<u>1,17,571</u>	<u>204</u>	<u>-</u>	<u>-</u>	<u>1,17,775</u>
As at March 31, 2023					
(i) MSME	5,672	-	-	-	5,672
(ii) Others	55,001	-	-	-	55,001
(iii) Disputed dues	-	-	-	-	-
	<u>60,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,673</u>



KIMIRICA LIFESTYLE PRIVATE LIMITED

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

(All amounts are in Indian Rupee thousands, unless otherwise stated)

20 Other financial liabilities (at amortised cost)

Particulars	March 31, 2024	March 31, 2023
Current		
Salaries and bonus Payable	6,174	2,856
Credit card payable	1,294	7,650
Other Payables	253	-
	7,721	10,506

21 Provisions

Particulars	March 31, 2024	March 31, 2023
Non- current		
Provision for employee benefits		
Gratuity	954	788
Compensated absences	1,130	1,329
	2,085	2,117
Current		
Provision for employee benefits		
Gratuity	16	15
Compensated absences	95	122
	111	137

22 Other current liabilities

Particulars	March 31, 2024	March 31, 2023
Refund Liability	3,688	6,412
Statutory dues payable	660	2,080
Total	4,348	8,492

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KIMIRICA LIFESTYLE PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupee thousands, unless otherwise stated)

23 Revenue from operations

Particulars	March 31, 2024	March 31, 2023
Revenue from contract with customers		
Sale of products	2,66,859	1,63,555
Total	2,66,859	1,63,555

(a) Timing of revenue recognition

Goods transferred at a point in time	2,66,859	1,63,555
	2,66,859	1,63,555

Performance obligation for sale of products is satisfied upon delivery of goods.

(b) Reconciliation of Revenue from sale of products with the contracted price:

Revenue as per contract price	2,65,635	1,65,667
Less: Sales returns	1,224	(2,112)
Revenue from contract with customers	2,66,859	1,63,555

(c) Also refer Note 10 for Trade receivables, Note 5 for Right of return assets, Note 22 for Refund liability (arising from right of return) and Note 38 for Segment information.

24 Other income

Particulars	March 31, 2024	March 31, 2023
Foreign exchange gain	-	6
Duty drawback	-	29
Damage Goods Recovery From Customers	956	-
Interest income on:		
Fixed deposits	594	4,201
Security deposit (at amortised cost)	627	674
Gain on termination of Lease agreement	5,441	-
	7,618	4,910

25 Purchase of stock-in-trade

Particulars	March 31, 2024	March 31, 2023
Purchase of Stock	77,965	88,563
	77,965	88,563

26 Changes in inventories of stock-in-trade

Particulars	March 31, 2024	March 31, 2023
Inventories at the beginning of the period	46,804	8,828
Less: Inventories at the end of the period	35,844	46,804
Total	10,960	(37,976)

27 Employee benefit expense

Particulars	March 31, 2024	March 31, 2023
Salaries, allowances and bonus	60,956	51,046
Gratuity expense	435	532
Leave encashment expense	(225)	1,241
Contribution to provident fund & other funds	2,329	1,518
Staff Welfare Expenses	307	1,539
	63,802	55,876

28 Finance Cost

Particulars	March 31, 2024	March 31, 2023
Interest on:		
-Term loan from related parties	3,031	-
-Lease liabilities	5,657	6,171
Bank charges	1,525	437
Total	10,213	6,608



KIMIRICA LIFESTYLE PRIVATE LIMITED**Notes to the financial statements for the year ended March 31, 2024**

(All amounts are in Indian Rupee thousands, unless otherwise stated)

29 Depreciation and amortisation expense

Particulars	March 31, 2024	March 31, 2023
Depreciation of property, plant & equipment	6,011	3,527
Depreciation on right of use asset	22,621	24,781
Amortisation of intangible assets	325	116
Total	28,957	28,424

30 Other expenses

Particulars	March 31, 2024	March 31, 2023
Rent expenses	10,559	3,005
Advertising and business promotion	1,21,400	1,58,319
Commission & Brokerage expenses	9,884	4,566
Legal and professional fees*	5,506	4,467
Travelling and conveyance	1,762	4,180
Payment gateway charges	199	1,259
Loss allowance on trade receivables	315	620
Freight charges	18,343	13,053
Office and factory expenses	4,590	2,623
Membership Fee & Subscription Fees	4,739	5,027
Miscellaneous expenses	1,434	2,401
Foreign exchange loss	17	-
Total	1,79,148	1,99,520

*Payment to auditors included (excluding applicable taxes)

Particulars	March 31, 2024	March 31, 2023
As auditors:		
- Statutory audit	50	50
Total	50	50

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31 Current tax and deferred tax

(A) Major Components of income tax expense

Particulars	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
(a) Statement of profit and loss:		
(i) Current tax:		
- In respect of current year	-	-
- In respect of earlier year	-	-
(ii) Deferred tax:		
- Relating to origination and reversal of temporary differences	(29,012)	(49,762)
Total tax expense recognised in statement of profit and loss	(29,012)	(49,762)
(b) Other comprehensive income:		
(i) Deferred tax - remeasurement of the defined benefit obligation	-	(4)
Total tax expense recognised in total comprehensive loss	-	(4)

(B) Numerical reconciliation between average effective tax rate and applicable tax rate:

Particulars	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
Loss before tax	(96,568)	(1,72,550)
Applicable tax rate	29.12%	29.12%
Computed tax expense	(28,120)	(50,247)
Effect of expenses that is non-deductible in determining taxable profit / accounting profit	183	196
Others	(1,074)	293
Tax expense recognised in statement of profit and loss	(29,012)	(49,758)
Effective tax rate	30.04%	28.84%

(C) Deferred Tax

Particulars	As at April 01, 2023	For the year ended March 31, 2024 Recognised in Profit and Loss	O/I	As at March 31, 2024
Tax effect of items constituting deferred tax liability on:				
Right to use asset	7,216	6,587	-	13,803
(A)	7,216	6,587	-	13,803
Tax effect of items constituting deferred tax assets:				
Property, plant and equipment and other intangible assets	72	599	-	671
Lease liability	8,707	8,807	-	17,514
Provision for doubtful debts	180	92	-	272
Provision for returns and discounts	1,252	(437)	-	815
Provision for compensated absences, bonus and gratuity	488	258	-	745
Other disallowances under section 43B of the income-tax act, 1961	-	21,219	-	21,219
Deferred tax asset on unabsorbed depreciation and business loss restricted to the extent of deferred tax liability	46,289	5,061	-	51,350
(B)	56,988	35,599	-	92,586
Deferred tax liabilities/(assets) (net) (A-B)	(49,772)	(29,012)	-	(78,783)



KIMIRICA LIFESTYLE PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupee thousands, unless otherwise stated)

Particulars	For the year ended March 31, 2023		
	As at April 01, 2022	Recognised in Profit and Loss	OCI
Tax effect of items constituting deferred tax liability on:			
Right to use asset	-	7,216	-
(A)	-	7,216	-
Tax effect of items constituting deferred tax assets:			
Property, plant and equipment and other intangible assets	-	72	-
Lease liability	-	8,707	-
Provision for doubtful debts	-	180	-
Provision for returns and discounts	-	1,252	-
Provision for compensated absences, bonus and gratuity	-	483	4
Other disallowances under section 43B of the income-tax act, 1961	-	-	-
Deferred tax asset on unabsorbed depreciation and business loss restricted to the extent of deferred tax liability	-	46,289	-
(B)	-	56,983	4
Deferred tax liabilities/(assets) (net) (A-B)	-	(49,766)	(4)

32 Earning per share ('EPS')

Particulars	March 31, 2024	March 31, 2023
Profit attributable to equity holders:		
Basic earnings	(67,556)	(1,22,783)
Adjusted for the effect of dilution	(67,556)	(1,22,783)
Weighted average number of Equity Shares for:		
Basis EPS		
Add: Shares issued during the period	10,000	10,000
Number of equity shares outstanding at the end of the period	10,000	10,000
Weighted average number of shares outstanding during the period for Basic EPS	10,000	10,000
Diluted EPS		
Weighted average number of shares outstanding during the period for Basic EPS	10,000	10,000
Weighted average number of shares outstanding during the period for Diluted EPS	14,286	14,286
Earnings Per Share (Rs.):		
Basic	(6,756)	(12,278)
Diluted*	(6,756)	(12,278)
Basic EPS and Diluted EPS are same since the calculation of diluted earnings per share does not assume conversion exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.		

33 Commitments and contingencies

There are no commitments and contingent liabilities as at March 31, 2024 and March 31, 2023 other than commitment for lease liabilities as included in note 18.



34 Fair value measurement

The following tables presents the carrying value and fair value of each category of financial assets and liabilities:-

Particulars	Carrying values	Fair value		
		Level 1	Level 2	Level 3
March 31, 2024				
Financial assets measured at amortised cost				
Trade receivables	30,337	-	-	-
Cash and cash equivalents	8,309	-	-	-
Other intangible assets	10,000	-	-	-
Other financial assets	10,014	-	-	-
Total financial assets	58,660	-	-	-
Financial liabilities measured at amortised cost				
Lease liabilities	37,019	-	-	-
Trade payables	1,25,238	-	-	-
Other financial liabilities	7,721	-	-	-
Total financial liabilities	1,69,978	-	-	-
March 31, 2023				
Financial assets measured at amortised cost				
Trade receivables	27,410	-	-	-
Cash and cash equivalents	9,157	-	-	-
Bank balances other than above	-	-	-	-
Other financial assets	23,589	-	-	-
Total financial assets	60,156	-	-	-
Financial liabilities measured at amortised cost				
Lease liabilities	83,905	-	-	-
Trade payables	60,673	-	-	-
Other financial liabilities	10,506	-	-	-
Total financial liabilities	1,55,084	-	-	-

The management assessed that the carrying values of trade and other receivables, other assets, borrowings, trade and other payables, based on their notional amounts, reasonably approximate their fair values because these instruments have short-term maturities and are re-priced frequently.

Fair Value Hierarchy:

An analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

35 Financial risk management objectives and policies

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the management of the Company.



(a) Management of Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial assets and financial liabilities at the reporting date.

As on March 31, 2024

Particulars	Note	Carrying amount	Undiscounted Amount		Total
			Within 1 year	More than 1 year	
Financial liabilities (non derivative liabilities)					
Lease liabilities	18	37,019	23,293	49,950	73,242
Trade payables	19	1,25,238	1,25,238	-	1,25,238
Other financial liabilities	20	7,721	7,721	-	7,721
		1,69,978	1,56,252	49,950	2,06,201

As on March 31, 2023

Particulars	Note	Carrying amount	Undiscounted Amount		Total
			Within 1 year	More than 1 year	
Financial liabilities (non derivative liabilities)					
Lease liabilities	18	83,905	27,238	73,492	1,00,731
Trade payables	19	60,673	60,673	-	60,673
Other financial liabilities	20	10,506	10,506	-	10,506
		1,55,084	98,417	73,492	1,71,910

(b) Management of Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates which will affect the Company's income or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company does not have any receivable or payable in foreign currency. Hence the Company is not exposed to currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However the Company does not have any borrowings. Hence the Company is not exposed to interest rate risk.

(c) Management of Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The exposure to the credit risk at the reporting date is primarily from trade receivables, and other financial assets. Credit risk is being managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to whom the Company grants credit terms in the normal course of business. The Company creates allowance for all unsecured trade receivables and the financial assets based on lifetime expected credit loss.



36 Capital Management

The Company defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company (which is the Company's net asset value). The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising leases interest-bearing loans and borrowings less cash and cash equivalents and Deposit with banks. Adjusted equity

The Company's adjusted net debt to equity ratio was as follows.

Particulars	March 31, 2024	March 31, 2023
Borrowings	18,572	7,650
Lease liabilities	37,019	83,905
Total debt liabilities	55,591	91,555
Less : Cash and cash equivalents	(8,309)	(9,157)
Less: Balances with banks (Refer Note 12)	(10,000)	-
Adjusted net debt	37,282	82,398
Total equity including compulsorily convertible preference shares	55,182	1,32,507
Adjusted net debt to adjusted equity ratio	0.57	0.62
Debt equity considering only borrowings as debt	0.28	0.06

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024.

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KIMIRICA LIFESTYLE PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupee thousands, unless otherwise stated)

37 Related party disclosure
A. a) Names of related parties and description of relationship

Name of related parties where control exists irrespective of whether transaction have occurred or not:

Holding Company

Not applicable

Entities having significant influence over the Company:

HOB Ventures Private Limited

Imagine Marketing Limited

Entities over which Key management personnel have significant influence:

Kimirica Hunter International LLP

Hunter Amenities International Limited

Director and/or Key management personnel (KMP)

Mohit Jain

Kimi Jain

Rajat Jain

Rica Jain

Gaurav Nayyar

B. Disclosure of transactions between the Company and related parties

Particulars	March 31, 2024	March 31, 2023
i) Purchase of stock (Including GST)		
Kimirica Hunter International LLP	55,352	69,100
ii) Payment of Remuneration		
Kimi Jain	3312	3,312
Mohit Jain	3312	3,312
iii) Sale of goods		
Kimirica Hunter International LLP	5,887	2,077
Imagine Marketing Limited	-	155
iv) Royalty		
Hunter Amenities International Limited	2,059	-
v) Loan taken during the year		
Mohit Jain	7,000	-
Rajat Jain	9,000	-
vi) Interest on loan		
Kimirica Hunter International LLP	1,611	-
Mohit Jain	875	-
Rajat Jain	545	-

C. Status of outstanding balances

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payable		
Kimirica Hunter International LLP	71,181	27,310
Loan Outstanding		
Mohit Jain	7,787	-
Rajat Jain	9,491	-
Expenses Payable		
Mohit Jain	1,691	-
Kimi Jain	845	-
Hunter Amenities International Limited	1,706	-

Note 1: The remuneration to the key managerial personnel does not include the provisions for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

D. Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in online payment mode. There have been no guarantees provided or received for any related party receivables or payables. For the year 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 year through examining the financial position of the related party and the market in which the related party operates.



KIMIRICA LIFESTYLE PRIVATE LIMITED

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

(All amounts are in Indian Rupee thousands, unless otherwise stated)

38 Segment information

As the Company is engaged in the business of manufacturing & Selling of Personal & beauty care products. Based on the "management approach" as defined in 'Ind-AS 108 - Operating Segments', the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the overall business segment.

As the allocation of resources and profitability of the business is evaluated by the CODM on as overall basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been identified. Accordingly no additional disclosure has been made for the segmental revenue, segmental results and the segmental assets and liabilities.

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KIMIRICA LIFESTYLE PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupee thousands, unless otherwise stated)

39 Gratuity
A. Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed 5 years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarises the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in the balance sheet for the gratuity benefit.

B. Defined Benefit Plan
(i) Description of Plan

Retirement Benefit Plan of the Group include Gratuity. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service with maximum ceiling as per Group policies. Gratuity plan is unfunded.

(ii) Balance Sheet

The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets	-	-
present value of Defined benefit obligations	1,201	803
(Liability) recognised in balance sheet	1,201	803

Movements in Present Value of Obligation:

Particulars	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation at the commencement of the period/year	803	286
Current service cost	607	512
Past service cost	-	-
Interest cost	58	20
Actuarial losses / (gains)	(231)	(15)
Benefits paid	(36)	-
Defined benefit obligation at the end of the period/year	1,201	803

Provision for gratuity (under Non-Current provisions) (Refer note 20)

Provision for gratuity (under Current provisions) (Refer note 20)

1,185	15
16	788
1,201	803

(iii) Consolidated statement of profit and loss

The charge to the statement of profit and loss comprises:

Particulars	As at March 31, 2024	As at March 31, 2023
Employee Benefit Expenses:		
Current service cost	607	512
Past service cost	-	-
	607	512
Finance costs:		
Interest cost	58	20
Interest income	-	-
	58	20
Net impact on profit (before tax)	665	532
Remeasurement of the net defined benefit plans:		
Actuarial (gains)/losses arising from changes in financial assumptions	13	283
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from experience adjustments	(244)	(298)
Net impact on other comprehensive income (before tax)	(231)	(15)



KIMIRICA LIFESTYLE PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2024

(All amounts are in Indian Rupee thousands, unless otherwise stated)

39 Gratuity (CONTINUED)
(iv) Assumptions

With the objective of presenting the plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Assumptions		
Discount rate (per annum)	7.25%	7.40%
Salary Escalation Rate (per annum)	6.00%	6.00%

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds, which is consistent with the estimated terms of the obligation.

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

		March 31, 2024	March 31, 2023
Demographic Assumptions	Age		
Withdrawal Rate	Upto 25 years	8.00%	8.00%
	26 to 30 years	7.00%	7.00%
	31 to 35 years	6.00%	6.00%
	36 to 40 years	5.00%	5.00%
	41 to 45 years	4.00%	4.00%
	46 to 50 years	3.00%	3.00%
	51 to 55 years	2.00%	2.00%
	above 56 years	1.00%	1.00%
Mortality Rate		Indian Assured Lives: Mortality (2012-14) Ultimate	Indian Assured Lives: Mortality (2012-14) Ultimate

(v) Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

Particulars	March 31, 2024		March 31, 2023	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate (per annum)	142.41	177.78	705.64	927.23
Salary escalation rate (per annum)	178.23	145.13	932.10	700.27
Employee turnover	8.52	3.61	796.93	808.88

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the period/year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous years.

(vi) Weighted average duration of the defined benefit plan:

Particulars	March 31, 2024	March 31, 2023
Gratuity plan	1	1

(vii) Expected future cash flows in respect of gratuity:

Particulars	As at March 31, 2024	As at March 31, 2023
Next 12 months	16.33	15.36
Year 2	-	-
Year 3	-	-
Year 4	-	-
Year 5	-	-
Year 6	-	-
Year 7	-	-
Year 8	-	-
Year 9	-	-
Year 10	-	-



40 Leases

The Company has entered into various cancellable and non-cancellable lease arrangements for its leased premises and equipments, which expires at various dates and are renewable at the mutual consent of both lessor and the lessee. The lease term is for a period of 3-9 years with option of renewal. The Company applies the short-term lease recognition exemptions for these leases.

Statement of profit and loss

	March 31, 2024	March 31, 2023
Depreciation expense of right-of-use assets	22,621	24,781
Interest expense on lease liabilities	5,657	6,171
Expense relating to short term lease (included in rent expense)	10,959	3,005
Total amount recognised in profit and loss	39,235	33,957

Set out below are the carrying amount of right-to-use assets and the movements during the period (also refer note 4):

Opening Balance	1,641	60,392
Additions	-	43,008
Depreciation for the year/ period	22,621	24,781
Closing Balance	(20,980)	78,619

Set out below are the carrying amount of lease liabilities and the movement during the period:

Opening Balance	83,904	59,963
Additions	-	41,500
Interest Expenses for the year/ period	5,657	6,171
Payment of lease liabilities	24,587	23,730
Deletions	27,956	-
Closing Balance	37,019	83,904

41 Financial Ratios**A. Computation of ratios:**

	Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023
1	Current Ratio	Current assets	Current liabilities	0.62	1.21
2	Return on Equity ratio	Net profits after taxes	Average Shareholder's Equity	(0.52)	(0.63)
3	Trade Receivables turnover ratio	Net credit sales	Average Trade receivables	4.62	5.51
4	Trade payables turnover ratio	Net credit purchases	Average Trade payables	0.62	1.46
5	Net capital turnover ratio	Net sales	Working capital	(4.03)	7.60
6	Net profit ratio	Net Profit after tax	Revenue	(0.25)	(0.75)
7	Return on Capital employed	Earnings before interest & tax	Capital employed	(3.87)	(8.27)
8	Debt Equity ratio	Total Debt	Shareholder's Equity	0.27	-
9	Debt service coverage ratio	Profit after taxes + interest expenses + depreciation and amortisation+ other non-cash expenses	Interest expense + scheduled principal repayment of long-term debt and lease liabilities during the period	(1.09)	(2.95)
10	Inventory turnover ratio	Cost of goods sold	Average Inventories	2.48	1.08

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KIMIRICA LIFESTYLE PRIVATE LIMITED

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

(All amounts are in Indian Rupee thousands, unless otherwise stated)

42 Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of companies beyond the statutory period
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2024.
- (v) 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.
- (vi) The Company has not received any fund 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.
- (vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- 43** The Code on Social Security 2020 has been notified in the Official Gazette on September 29, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are notified.
- 44** There are numerous interpretative issues relating to the Hon'ble Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The impact of the same is currently not ascertainable.

45 Standards notified but not yet effective

Ministry of Corporate Affairs (MCA), vide notification dated March 31, 2023, has made the following amendments to Ind AS which are effective April 1, 2023:

- a. Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
- b. Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by definition of 'accounting estimate'.
- c. Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.
- Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its financial statements.

As per our report of even date attached

For Prakash S Jain & Co.

Chartered Accountants

FRN: 002423C

Gaurav Shepadia

Partner

MN: 405326

Place: Indore

Date: _____, 2024

For and on behalf of the Board of Directors of

Kimirica Lifestyle Private Limited

CIN: U24246MP2022PTC059090

Mohit Jain

Director

DIN: 01602784

Place: Indore

Date: _____, 2024

Rajat Jain

Director

DIN: 01510188

Place: Indore

Date: _____, 2024

