Walker Chandiok & Co LLP
Chartered Accountants
11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400 013
Maharashtra, India

Kedia & Agrawal
Chartered Accountants
Office S13, Ground Floor, Kailash Mansarovar,
Satyanandji Maharaj Marg,
Bhayander (West),
Thane – 401101
Maharashtra, India

Independent Auditor's Report

To the Members of Purple Style Labs Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Purple Style Labs Private Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at **31 March 2023**, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and on the other financial information of a subsidiary company, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, and their consolidated loss and consolidated cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 together with the audit evidence obtained by the other auditors in terms of their report referred to in paragraph 11 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

4. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the consolidated financial statements and our auditor's report thereon. The Director's Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the entities included in the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the respective entities or to cease operations, or has no realistic alternative but to do so.

7. Those respective Boards of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

8. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.

9. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of the Holding Company's Board of Directors' 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 ability of the Group 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 Group to cease to continue as a going concern;

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- 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; and

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

10. 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.

Other Matter

11. We did not audit the financial statements of one(1) subsidiary company, whose financial statements reflect total assets of ₹ 1,023.92 lakhs and negative net assets of ₹ 2,125.70 lakhs as at 31 March 2023, total revenues of ₹ 866.10 lakhs and net cash outflows amounting to ₹ 137.79 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary company, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary company, is based solely on the report of the other auditor.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

12. The consolidated financial statements of the Group for the year ended 31 March 2022 were audited by the predecessor auditor (current joint auditor), M/s Kedia & Agrawal, Chartered Accountants, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 26 September 2022.

Report on Other Legal and Regulatory Requirements

13. Based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 11, on separate financial statements of a subsidiary company, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act since none of such companies is a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

14. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued by us, of companies included in the consolidated financial statements and covered under the Act, we report that following are the qualifications remarks reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2023 for which such Order reports have been issued till date:

S No	Name	CIN	Holding company/ subsidiary company	Clause number of the CARO report which is qualified
1	Purple Style Labs Private Limited	U18204MH2015PTC267215	Holding company	3.i.(b)
2	PSL Retail Private Limited	U52320MH2019PTC329932	Subsidiary company	3.i.(b) and 3.vii.(a)

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15. As required by section 143(3) of the Act, based on our audit and on consideration of the report of the other auditor on separate financial statements and other financial information of a subsidiary company as referred in paragraph 11, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021;

e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company covered under the Act and taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2023 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 with reference to financial statements of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in 'Annexure II' wherein we have expressed an unmodified opinion; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. There were no pending litigations as at 31 March 2023 which would impact the consolidated financial position of the Group;

ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, during the year ended 31 March 2023;

iv.

a. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 39 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any person(s) or entity(ies), including foreign entities ('the 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 Holding Company or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 39 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies 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

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

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c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor's notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company and its subsidiary companies have not declared or paid any dividend during the year ended 31 March 2023; and

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632

UDIN: 23109632BGXEGH4474

Place: Mumbai
Date: 29 September 2023

For **Kedia & Agrawal**
Chartered Accountants
Firm's Registration No.: 140989W

Sunil Kedia
Partner
Membership No.: 427613

UDIN: 23427613BGXSKP4623

Place: Mumbai
Date: 29 September 2023

Annexure 1 to Independent Auditor's Report to consolidated financial statements.

List of subsidiaries

1. PSL Retail Private Limited
2. Purple Style Labs UK Limited

Annexure II to the Independent Auditor's Report of even date to the members of Purple Style Labs Private Limited on the consolidated financial statements for the year ended 31 March 2023

Annexure II

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Purple Style Labs Private Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its one (1) subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its one (1) subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and one (1) subsidiary company covered under the Act, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

KEDIA & AGRAWAL Mumbai F.R.N. 140989W CHARTERED ACCOUNTANTS

Annexure II to the Independent Auditor's Report of even date to the members of Purple Style Labs Private Limited on the consolidated financial statements for the year ended 31 March 2023

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Holding Company and its one (1) subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company and its subsidiary company, as aforesaid, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632

UDIN: 23109632BGXEGH4474

Place: Mumbai
Date : 29 September 2023

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

For **Kedia & Agrawal**
Chartered Accountants
Firm's Registration No.: 140989W

Sunil Kedia
Partner
Membership No.: 427613

UDIN: 23427613BGXSKP4623

Place: Mumbai
Date : 29 September 2023

KEDIA & AGRAWAL
Mumbai
F.R.N. 140989W
CHARTERED ACCOUNTANTS

Purple Style Labs Private Limited
Consolidated Balance Sheet as at 31 March 2023
(Amount in ₹ lakhs, except for share data, and if otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	135.52	5.91
Reserves and surplus	4	6,725.66	5,464.01
Total shareholders funds		**6,861.18**	**5,469.92**
Non-current liabilities			
Long term borrowings	5	1.95	2,272.51
Long term provisions	6	293.96	59.72
Total non-current liabilities		**295.91**	**2,332.23**
Current liabilities			
Short term borrowings	7	4,644.27	98.24
Trade payables			
-Total outstanding dues to micro and small enterprises	8	267.03	276.31
-Total outstanding dues to creditors other than micro and small enterprises	8	4,025.89	2,913.14
Other current liabilities	9	5,839.38	2,115.78
Short term provisions	10	162.36	3.60
Total current liabilities		**14,938.93**	**5,407.07**
Total liabilities		**15,234.84**	**7,739.30**
Total equity and liabilities		**22,096.02**	**13,209.22**
ASSETS			
Non-current assets			
Property, plant and equipment and intangible assets			
Property, plant and equipment	11	2,378.34	1,315.22
Intangible assets	11.1	937.79	1,113.15
Non-current investments	12	-	115.27
Long term loans and advances	13	1,260.62	156.88
Other non-current assets	14	2,433.01	1,354.85
Deferred tax asset	15	-	-
Total non-current assets		**7,009.76**	**4,055.37**
Current Assets			
Inventories	16	8,710.51	2,697.31
Trade receivables	17	217.94	803.52
Cash and bank balances	18	756.94	1,715.01
Short term loans and advances	19	4,871.66	3,585.89
Other current assets	20	529.21	352.12
Total current assets		**15,086.26**	**9,153.85**
Total assets		**22,096.02**	**13,209.22**

The accompanying notes form an integral part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Rakesh R. Agarwal
Partner
Membership No: 109632

Place: Mumbai
Date : 29 September 2023

For **Kedia & Agrawal**
Chartered Accountants
Firm Registration No. 140989W

Sunil Kedia
Partner
Membership No: 427613

Place: Mumbai
Date : 29 September 2023

For and on behalf of the Board of Directors
Purple Style Labs Private Limited

Director

Abhishek Binod Agarwal
Director
DIN : 07237807

Place: Mumbai
Date : 29 September 2023

Abhinav Agarwal
Director
DIN : 07178846

Place: Mumbai
Date : 29 September 2023

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

PURPLE STYLE LABS PRIVATE LIMITED MUMBAI

KEDIA & AGRAWAL Mumbai F.R.N. 140989W CHARTERED ACCOUNTANTS

Purple Style Labs Private Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2023
(Amount in ₹ lakhs, except for share data, and if otherwise stated)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue			
Revenue from operations	21	37,238.05	17,456.09
Other income	22	83.12	120.99
Total income		**37,321.17**	**17,577.08**
Expenses			
Cost of materials consumed	23	644.94	310.59
Purchase of traded goods	24	26,781.91	11,351.94
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(6,003.57)	(1,884.90)
Employee benefits expense	26	4,426.12	4,123.98
Finance cost	27	851.24	356.65
Depreciation and amortisation expense	28	490.17	349.59
Other expenses	29	14,999.19	8,143.09
Total expenses		**42,190.00**	**22,750.94**
Loss before exceptional items and tax		**(4,868.83)**	**(5,173.86)**
Exceptional items	30	1,064.72	-
Loss before tax		**(3,804.11)**	**(5,173.86)**
Tax expense			
Current tax		-	-
Deferred tax	15	-	-
Total tax expense		-	-
Net loss for the year		**(3,804.11)**	**(5,173.86)**
Loss per equity share of face value ₹ 10 each			
Basic and diluted	31	(13,713.43)	(27,632.24)

The accompanying notes are an integral part of these consolidated financial statements
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Rakesh R. Agarwal
Partner
Membership No: 109632

Place : Mumbai
Date : 29 September 2023

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

For **Kedia & Agrawal**
Chartered Accountants
Firm Registration No. 140989W

Sunil Kedia
Partner
Membership No: 427613

Place: Mumbai
Date : 29 September 2023

KEDIA & AGRAWAL
Mumbai
F.R.N. 140989W
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Purple Style Labs Private Limited

Director

Abhishek Binod Agarwal
Director
DIN : 07237807

Place: Mumbai
Date : 29 September 2023

Abhinav Agarwal
Director
DIN : 07178846

Place: Mumbai
Date : 29 September 2023

PURPLE STYLE LABS PRIVATE LIMITED
MUMBAI

Purple Style Labs Private Limited
Consolidated Statement of Cash Flow for the year ended 31 March 2023
(Amount in ₹ lakhs, except for share data, and if otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flow from operating activities		
Loss before tax	(3,804.11)	(5,173.86)
Adjustments for :		
Depreciation and amortisation expenses	490.17	349.59
Interest income	(1.45)	(0.01)
Gain from sale of investment	(56.09)	-
Finance cost	753.03	347.69
Foreign currency translation gain / (loss)	1.07	(14.99)
Expense / (reversal) of share based payment cost	(1,064.72)	2,053.22
Unrealised foreign exchange gain	(17.68)	-
Impairment provision on investments	65.00	-
Operating losses before working capital changes	**(3,634.78)**	**(2,438.36)**
Adjustments for :		
(Increase) / Decrease in inventories	(6,013.20)	(1,903.05)
(Increase) / Decrease in trade receivables	585.58	(652.40)
(Increase) / Decrease in non current assets	(1,078.16)	(693.47)
Increase / (Decrease) in trade payable and provisions	1,496.46	2,238.13
Increase / (Decrease) in Other liabilities	3,695.99	1,157.26
(Increase) / Decrease in other assets (current)	(2,501.81)	(2,717.75)
Operating losses after working capital changes	**(7,449.92)**	**(5,009.63)**
Taxes paid (net of refund)	(47.11)	(23.17)
Net cash used in operating activities (A)	**(7,497.03)**	**(5,032.80)**
Cash flow from investing activities		
Purchase of property, plant and equipment and capital creditors	(1,348.02)	(944.20)
Proceeds from sale of fixed assets	-	315.04
Proceeds from sale of investments	106.36	0.50
Purchase of investments	-	(40.00)
Interest received	1.45	0.01
Net cash used in investing activities (B)	**(1,240.21)**	**(668.65)**
Cash flow from financing activities		
Proceeds from share issued including premium collected	6,259.01	8,668.45
Proceeds from availment of borrowings	8,786.51	354.61
Repayment of borrowings	(6,511.03)	(1,437.49)
Interest paid	(755.32)	(347.69)
Net cash generated from financing activities (C)	**7,779.17**	**7,237.88**
Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	**(958.07)**	**1,536.43**
Cash and cash equivalents at the beginning of the year	1,715.01	178.58
Cash and cash equivalents at the end of the year	**756.94**	**1,715.01**
Cash and cash equivalents comprise of :		
Cash on hand	50.34	44.57
Balances with banks		
- in current accounts	706.60	1,670.44
	756.94	**1,715.01**

The accompanying notes are an integral part of the consolidated financial statements
This is the Consolidated Statement of Cash Flow referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N / N500013

Rakesh R. Agarwal
Partner
Membership No: 109632

Place: Mumbai
Date : 29 September 2023

For **Kedia & Agrawal**
Chartered Accountants
Firm Registration No. 140989W

Sunil Kedia
Partner
Membership No: 427613

Place: Mumbai
Date : 29 September 2023

For and on behalf of the Board of Directors
Purple Style Labs Private Limited

Director

Abhishek Binod Agarwal
Director
DIN : 07237807

Place: Mumbai
Date : 29 September 2023

Abhinav Agarwal
Director
DIN : 07178846

Place: Mumbai
Date : 29 September 2023

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PURPLE STYLE LABS PRIVATE LIMITED MUMBAI

Purple Style Labs Private Limited
Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2023

1 Corporate Information

Purple Style Labs Private Limited ('the Company'/" Holding Company"/" Parent Company") having CIN U18204MH2015PTC267215 is a private limited company incorporated and domiciled in India on August 06, 2015 having registered office at CTS No.1081, Plot No.110, TPS Village, Service Road, Western Express Highway, Vile Parle (East) Mumbai MH 400057 IN. The Group's business is modeled around owning and operating apparel and lifestyle brands, providing a one stop solution to third party designer brands including by providing technical and other value added services and retail of designer fashion and lifestyle products.

2 Significant accounting policies

2.1 Basis of preparation of consolidated financial statements

The Consolidated financial statements ("financial statements") of the Group have been prepared to comply in all material respects with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') (to the extent notified), read with (the Companies (Accounting Standards) Rules, 2021 and other generally accepted accounting principles in India. The financial statements are prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies applied are consistent with those used in the previous year. These consolidated financial statements have been prepared in accordance with amended schedule III to the Companies Act, 2013.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the guidance set out in Schedule III to the Companies Act, 2013. Based on the nature of services and the time between acquisition of assets for processing and their realization in to cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of classification of assets and liabilities in to current and non-current. The Group's financial statements are reported in Indian rupees in lakhs unless otherwise stated and except for share based information. Deferred tax asset and liability are classified as non-current in nature.

The consolidated financial statements comprise the standalone financial statements of Purple Style Labs Private Limited and its following subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group").

Entities included for consolidation

Name of the Entity	Country of Incorporation	Holding company's shareholding	Entity treated as
PSL Retail Private Limited	India	100%	Subsidiary
Purple Style Labs UK Limited	United Kingdom	100%	Subsidiary

2.2 Principles of Consolidation

The consolidated financial statements have been prepared on the following basis :

i) The financial statements of the Holding Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances/ transactions and elimination of unrealized profits. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

ii) Consolidated financial statements are prepared using uniform policies for like transaction and other events of similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.

iii) Notes to the consolidated financial statements, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in standalone financial statements of the subsidiary and/ or a parent having no bearing on the true and fair view of the consolidated financial statements has not been disclosed in the consolidated financial statements.

2.3 Use of estimates

The preparation of the Consolidated financial statements, in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reporting year. Key estimates include estimate of useful lives of property, plant and equipment, income taxes and future obligations under employee retirement benefit plans. Although these estimates are based upon best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

2.4 Property, plant and equipment and depreciation :

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overhead expenditure for self constructed assets incurred up to the date the asset is ready for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance

Depreciation of property, plant and equipment :

Depreciation on Property, plant and equipment is provided on straight line method considering the useful lives prescribed in Schedule II to the Act on a pro-rata basis.
Depreciation for additions to/deductions from, owned assets is calculated pro rata from/to the month of additions/deductions.
The Group has used the following estimated useful lives to provide depreciation on the property, plant and equipment given below.
Computer & Peripherals : 3 Years
Furniture and fixtures : 10 Years
Office Equipments : 5 Years
Motor Cars : 6 Years

2.5 Intangible assets and amortization:

Intangible assets are recognized only if they are separately identifiable and the Group expects to receive future economic benefits arising out of them. Such assets are stated at cost less accumulated amortization and impairment losses, if any.The Group has not considered the residual value i.e 5% of cost for intangible asstes while calculating the amortisation.

Asset Category (Intangible Assets)	Useful Life (Years)
Softwares	5 to 10 years
Goodwill	10 years

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PURPLE STYLE LABS PRIVATE LIMITED MUMBAI

The intangible assets are amortized on a straight line basis over their expected useful lives which are expected to be the period of the license /subscription. The amortization period and the amortization method are reviewed at least at each financial year-end if the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

2.6 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Long term investments are stated at cost. Current investments are stated at lower of cost and fair value. Fair value of investments in mutual funds is determined on an individual investment basis.

2.7 Impairment of assets

The carrying amounts of property, plant and equipments and investments are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized in the Statement of Profit and Loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.8 Foreign currency transactions

(i) Initial recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Translation
Foreign currency denominated monetary items are translated into reporting currency at the closing rates of exchange prevailing at the date of the Balance Sheet. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Settlement
Gain/Loss arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss, unless they are considered as an adjustment to borrowing costs, in which case they are capitalised along with the interest cost.

(iv) Foreign currency translation reserve represent the unrealised gains and losses on account of translation of financial information of foreign subsidiary into ₹ (INR).

2.9 Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue is recognized to the extent it is probable that economic benefits will flow to the Group.

Sales are recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract which usually coincide with the delivery of goods and are recorded net of trade discounts, rebates and goods and service tax.

Revenue from the services provided is recognised as and when the service is completed and in accordance with the contractual obligation between the company and its customers.

Interest and other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

Other items of income are recognised as and when due or received, whichever is earlier.

2.10 Inventories

Inventory comprises of raw materials, stock-in-trade, finished goods and work-in-progress. Raw materials are valued at lower of cost and net realisable value after providing for obsolescence, if any. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Work-in-progress, stock-in-trade and finished goods are valued at lower of cost and net realisable value after providing for obsolescence, if any.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Cost of inventories is determined on a weighted average basis.

2.11 Retirement and other employee benefits

a) Short Term Employee Benefits are recognised as an expense at an actual amount in the Statement of Profit and Loss account of the year in which the related service is rendered.

b) Provident Fund is a defined contribution scheme and the Group has no further obligation beyond the contributions made to the fund. Contributions are charged to Statement of Profit and Loss in the year in which they accrue. The Group has categorised its Provident Fund, Employees State Insurance Scheme and Labour Welfare Fund as a defined contribution plan since it has no further obligations beyond these contributions.

c) Gratuity is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method made at the end of the Financial year. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on their exit from the Company amounting to 15 days of their last drawn salary for each completed year of service. The gratuity liability and net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on plan assets and increase in compensation levels.
All actuarial gain/losses are immediately recorded to Statement of Profit and Loss and are not deferred.

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PURPLE STYLE LABS PRIVATE LIMITED ★ MUMBAI

2.12 Income taxes

Tax expense comprises of current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the entities forming part of Group operates. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

2.13 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.14 Provisions

A provision is recognised when the Group has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.15 Contingent liabilities

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

2.16 Leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under leases other than finance leases are classified as operating leases.The lease term is the noncancellable period for which the lessee has agreed to take on lease the asset together with any further periods for which the lessee has the option to continue the lease of the asset, with or without further payment, which option at the inception of the lease it is reasonably certain that the lessee will exercise.

Assets taken on operating lease

The total lease rentals (including scheduled rental increases) in respect of assets taken on operating leases are charged to the Statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash on hand. The Group considers all highly liquid investments with an original maturity of three month or less from date of purchase, to be cash equivalents.

2.18 Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

2.19 Going concern assessment

These financial statements are prepared on going concern basis. While the Group has reported losses for the current year and previous year, management believes that the Group will be able to continue operations on a going concern basis and meet all its liabilities as and when they fall due for payment in the foreseeable future. The Group's current assets exceeded its current liabilities as at 31 March 2023. Further the Group has been able to discharge its obligations towards lenders and vendors in timely manner. The business strategies and operating plans (forecast) planned will enable the Group to expand the operations and achieve higher revenue in forthcoming periods.

2.20 Unforseeable Losses

The entities in the Group has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. As at the end of reporting periods, the Group did not have any long-term contracts (including derivative contracts) for which there were any material foreseeable losses.

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	Particulars	As at 31 March 2023		As at 31 March 2022	
3	Share capital	Number	Amount	Number	Amount
	Authorised share capital				
	Equity Shares of ₹10 each	1,00,000	10.00	1,00,000	10.00
	0.001% Compulsorily Convertible Preference Shares ("CCPS") of ₹ 10 each	1,50,000	15.00	1,50,000	15.00
	0.001% Class 1 Compulsorily Convertible Preference shares ("Class 1 CCPS") of ₹ 10,000 each (**Refer note 1 below**)	2,000	200.00	-	-
			225.00		**25.00**
	Issued, subscribed and fully paid up shares				
	Equity Shares of ₹10 each	19,068	1.91	16,496	1.65
	0.001% Compulsorily Convertible Preference Shares ("CCPS") of ₹10 each	33,232	3.32	32,386	3.24
	0.001% Class 1 Compulsorily Convertible Preference Shares (" Class 1 CCPS") of ₹ 10,000 each	1,293	129.30	-	-
	Issued, subscribed and partly paid up shares				
	Equity Shares of ₹10 each paid upto ₹ 9 each (Partially Paid)	11,000	0.99	11,000	0.99
	0.001% Compulsorily Convertible Preference Shares of ₹ 10 each, paid upto ₹ 9 each (Partially Paid)	-	-	407	0.04
	Total		**135.52**		**5.91**

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Equity Shares of ₹ 10 each				
Fully paid up				
Balance at the beginning of the year	16,496	1.65	14,188	1.42
Add : Issued during the year (allotted to employees eligible for ESOP) (Refer note 35)	1,692	0.17	2,308	0.23
Add : CCPS converted into equity during the year (Refer note 2 below)	880	0.09	-	-
Balance at the end of the year	**19,068**	**1.91**	**16,496**	**1.65**
Partly paid up				
Balance at the beginning of the year	11,000	0.99	-	-
Change during the year	-	-	11,000	0.99
Balance at the end of the year	**11,000**	**0.99**	**11,000**	**0.99**
CCPS				
Fully paid up				
Balance at the beginning of the year	**32,386**	**3.24**	**22,656**	**2.27**
Add: Issued during the year	1,319	0.13	9,165	0.92
Add: Converted during the year into equity shares	(880)	(0.09)	-	-
Add: Transferred from partly paid to fully paid (Refer note 3 below)	407	0.04	565	0.05
Balance at the end of the year	**33,232**	**3.32**	**32,386**	**3.24**
Partly paid up				
Balance at the beginning of the year	**407**	**0.04**	**872**	**0.08**
Add: Issued during the year			**100**	0.01
Add: Called during the year	-	0.00*	-	0.00*
Less: Transferred to fully paid up	-407	-0.04	-565	-0.05
Balance at the end of the year	**-**	**-**	**407**	**0.04**
Class 1 CCPS				
Fully paid up				
Balance at the beginning of the year	-	-	-	-
Add: Issued during the year	1,293	129.30	-	-
Balance at the end of the year	**1,293**	**129.30**	**-**	**-**

Note 1 During the year ended 31 March 2023, vide approval of the shareholders at their meeting held on 23 June 2022, the Holding Company has increased its authorised share capital by ₹ 200 lakhs to accommodate issue of two thousand (2,000) Class 1 Compulsorily Convertible Preference shares of ₹ 10,000 each.

Note 2 During the year ended 31 March 2023, vide Board resolutions dated 23 February 2023 and 16 March 2023 respectively, 600 and 280 CCPS of ₹10 each were converted into Equity Shares of ₹10 each.

Note 3 During the year ended 31 March 2023, vide various Board resolutions, the Holding Company has approved to call the remaining amount of ₹1 per share on 407 partly paid CCPS of ₹ 10 each issued at a premium of ₹ 56,990 per share.

During the year ended 31 March 2022, vide various Board resolutions, the Holding Company has approved to call the remaining amount of ₹1 per share on 500 partly paid CCPS of ₹ 10 each issued at a premium of ₹ 19,990 per share and ₹1 per share on 65 partly paid CCPS of ₹ 10 each issued at a premium of ₹ 31,990 per share.

Note 4 * 0.00 indicates amounts less than ₹ 500.

b) Rights, preferences and restrictions attached to shares

Equity shares

The Holding Company has one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian Rupees. The dividend (except interim 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 Holding Company, the holders of equity shares will be entitled to receive the remaining assets of the Holding Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares

Each CCPS and Class 1 CCPS will automatically be converted into equity shares upon earlier of 20 year period or completion of qualified public offering. The Shareholders shall be entitled to get the CCPS and Class-1 CCPS converted to equity shares by requesting the Holding Company at any time prior to above mentioned time. Each CCPS and Class 1 CCPS shall be converted into 1 equity share of the Company or such other number of equity shares as per the terms of the shareholders agreement ("SHA") entered into between the Holding Company and its investors.

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MUMBAI

(Amount in ₹ lakhs, except for share data, and if otherwise stated)

c) **Details of shares held by shareholders holding more than 5% shares in the Holding company**

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	%	Number	%
Equity share of ₹ 10 each				
Abhishek Binod Agarwal	21,122	70.25%	21,656	78.76%
Abhinav Agarwal	2,005	6.67%	1,605	5.84%
	23,127	**76.92%**	**23,261**	**84.59%**
CCPS of ₹ 10 each				
Jitender Kumar Bansal	2,395	7.21%	2,395	7.30%
Mukul Mahavir Agrawal	2,000	6.02%	2,000	6.10%
Volrado Venture Partners Fund II	2,000	6.02%	-	-
	6,395	**19.24%**	**4,395**	**13.40%**
Class 1 CCPS of ₹ 10,000 each				
Singularity Growth Opportunities Fund I	500	38.67%	-	-
Kalpraj Damji Dharamshi jointly with Hina Kalpraj Dharamshi	200	15.47%	-	-
Ramrod Advisors LLP	100	7.73%	-	-
VR Sikka Consulting Private Limited	80	6.19%	-	-
Astarc Ventures Private Trust	70	5.41%	-	-
	950	**73.47%**		

d) The Group has not issued any bonus shares or shares for consideration other than cash nor has there been any buy back of shares in last five years.

e) **Shareholding of promoter**

Shares held by promoter at the end of the year	Number of shares as at 31 March 2023	Number of shares as at 31 March 2022	% of total shares as at 31 March 2023	% of total shares as at 31 March 2022	% Changed during the year	% Changed during the previous year
Abhishek Binod Agarwal - Equity	21,122	21,656	70.25%	78.76%	8.51%	3.04%
Abhishek Binod Agarwal - CCPS	61	61	0.18%	0.19%	-0.01%	0.00%

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(Amount in ₹ lakhs, except for share data, and if otherwise stated)

	Particulars	As at 31 March 2023	As at 31 March 2022
4	**Reserves and surplus**		
	Deficit in the statement of profit and loss		
	Opening balance	(13,904.69)	(8,730.83)
	Add: Net loss for the year	(3,804.11)	(5,173.86)
	Balance at the end of the year	**(17,708.80)**	**(13,904.69)**
	Employee stock option outstanding account		
	Balance at the beginning of the year	2,028.23	1,289.78
	Add: Compensation options granted during the year	-	2,053.22
	Less: Reversal of excess compensation expense (Refer note 30)	(1,064.72)	-
	Less :Transfer to securities premium on account of exercise of stock options.	(963.51)	(1,314.77)
	Balance at the end of the year	**-**	**2,028.23**
	Securities premium		
	Balance at the beginning of the year	17,440.12	7,459.05
	Add : Addition during the year on issue of CCPS	2,044.33	8,545.56
	Add : Addition during the year on call of partly paid 0.001%	231.94	120.74
	Add : Addition during the year on issue of Class 1 CCPS	3,853.14	-
	Add : Addition during the year on issue of equity shares to employees via employee stock option scheme	963.51	1,314.77
	Balance at the end of the year	**24,533.04**	**17,440.12**
	Foreign Currency Translation Reserve		
	Opening balance	(99.65)	(84.66)
	Add: Impact during the Year	1.07	(14.99)
	Balance at the end of the year	**(98.58)**	**(99.65)**
	Total	**6,725.66**	**5,464.01**
5	**Long term borrowings**		
	Secured Loan		
	From banks (Refer note 5.1)	2.95	3.89
	Less: Current maturities included in short term borrowings (Refer note 7)	(1.00)	(0.94)
		1.95	2.95
	Unsecured Loan		
	From bank (Refer note 5.2)	-	26.47
	Convertible notes (Refer note 5.3)	-	2,261.93
	Less: Current maturities included in short term borrowings	-	(18.84)
		-	2,269.56
	Total	**1.95**	**2,272.51**

5.1 **Nature of security and terms of repayment for secured borrowings**

Details of and purpose of the loan	Amount outstanding as at 31 March 2023	Amount outstanding as at 31 March 2022	Security given	Rate of interest	Terms of repayment
Secured Loan					
HDFC Bank - Car Loan	2.95	3.89	The loan is secured by hypothecation charge over motor vehicle.	7.95% p.a.	60 Equated monthly instalments from the date of disbursement.

5.2 The unsecured term loan from ICICI Bank was repayable in 36 equal monthly instalments of Rs. 88,870/- each, starting from February 21, 2021 and carried rate of interest @ 16.25% per annum.The same has been prematurly repaid during the year.

The unsecured term loan from HDFC Bank was repayable in 36 equal monthly instalments of Rs. 87,890/- each, starting from April 06, 2020 and carries rate of interest @ 16% per annum.The same has been prematurely repaid during the year.

5.3 Unsecured loans in the form of "Convertible Notes" were convertible into equity shares of the Company or repayable after 1 year, up to a maximum of 10 years from the date of issue, as mutually agreed by both the parties and carry a rate of interest in the range of 15% to 18% per annum. The same have been entirely repaid during the year.

		As at 31 March 2023	As at 31 March 2022
6	**Long term provision**		
	Provision for Gratuity (Refer Note 34)	102.19	59.72
	Provision for lease equalization	191.77	-
		293.96	**59.72**
6.1	**Movement of lease equalization during the year**		
	Opening Balance	-	-
	Add: Rent expense booked during the year	3,483.48	-
	Less: Rent paid during the year	3,149.39	-
	Closing Balance (Aggregate of long term and short term provision)	**334.09**	**-**
7	**Short term borrowings**		
	Secured		
	- Current maturities of long-term borrowings (Refer note 5)	1.00	0.94
	- Non-Convertible debentures (Refer note 7.1)	3,936.31	-
	Unsecured		
	- from others (Refer note 7.2)	706.96	97.30
	Total	**4,644.27**	**98.24**

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7.1 Nature of security and terms of repayment for secured borrowings

Details of and purpose of the loan	Amount outstanding as at 31 March 2023	Amount outstanding as at 31 March 2022	Security given	Rate of interest	Terms of repayment
Secured Non-Convertible Debentures					
Series A Non-Convertible Debenture (NCDs)	412.50	-	The outstanding balance payable with respect to the NCDs are secured by way of pari passu first charge over the inventory and/or current assets of the Company.	10% p.a.	12 Equated monthly instalments from the date of disbursement.
Series B Non-Convertible Debenture (NCDs)	580.81	-		16.5% p.a.	
Series C Non-Convertible Debenture (NCDs)	1,040.00	-		15% p.a.	a) Interest shall be payable on a monthly basis. b) Principal amount will be repaid at maturity.
Series D Non-Convertible Debenture (NCDs)	1,573.00	-		15% p.a.	
Series E Non-Convertible Debenture (NCDs)	330.00	-		15% p.a.	
	3,936.31	-			

7.2 Unsecured loans have been taken from unrelated parties carrying interest rate within a range of 10% to 16.5% per annum and repayable within one year from the date of disbursement.

8 Trade Payables	As at 31 March 2023	As at 31 March 2022
- Total outstanding dues of micro and small enterprises	267.03	276.31
- Total outstanding dues of creditors other than micro and small enterprises	4,025.89	2,913.14
Total	**4,292.92**	**3,189.45**

Note 8.1:
Dues to micro and small enterprises pursuant to Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

i) Principal amount remaining unpaid to any supplier.	**267.03**	**276.31**
ii) Interest due on principal amount remaining unpaid to any supplier.	-	-
iii) Interest paid by the Company in terms of Section 16 of MSMED, along with the amount of the payment made to the suppliers beyond the appointed day during the year.	-	-
iv) 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 MSMED.	-	-
v) Interest accrued and remaining unpaid as at balance sheet date.	-	-
vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED.	-	-
	267.03	**276.31**

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under MSMED. Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financials statements based on information received and available with the Company. There is no interest paid or payable during the year.

Note 8.2 :
(a) Ageing of Trade Payables as at March 2023

		Outstanding for the following period from the due date				
Particulars	**Unbilled**	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Undisputed trade payables						
Micro enterprises and small enterprises	-	267.03	-	-	-	267.03
Others	1,059.31	2,960.75	5.83	-	-	4,025.89
Disputed Dues						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	1,059.31	3,227.78	5.83	-	-	4,292.92

(b) Ageing of Trade Payables as at March 2022

		Outstanding for the following period from the due date				
Particulars	**Unbilled**	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Undisputed trade payables						
Micro enterprises and small enterprises	-	276.31	-	-	-	276.31
Others	832.82	2,074.80	4.71	-	0.81	2,913.14
Disputed Dues						
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	832.82	2,351.11	4.71	-	0.81	3,189.45

9 Other current liabilities	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings	26.66	28.95
Employee related dues	361.69	29.40
Statutory dues payable	1,659.88	141.34
Capital Creditors	77.52	47.61
Advance from customers*	3,372.26	1,704.31
Other payable (Refer note below)	341.37	164.17
Total	**5,839.38**	**2,115.78**

Note:
Other payable comprises of balance received by the Group and available to the customers as store credit for future use.

*Advance from customers comprises of revenue reversed amounting to ₹ 315 lakhs on account of goods not delivered.

10 Short term provision		
Provision for gratuity (Refer note 34)	20.04	3.60
Provision for rent equalization	142.32	-
	162.36	**3.60**

KEDIA & AGRAWAL Mumbai F.R.N. 140989W CHARTERED ACCOUNTANTS

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

PURPLE STYLE LABS PRIVATE LIMITED MUMBAI

(Amount in ₹ lakhs, except for share data, and if otherwise stated)

11 Property, plant and equipment

Particulars	Computers	Furniture and fixtures	Office equipment	Motor Car	Total
Gross block					
As at 01 April 2021	**105.47**	**1,087.88**	**116.59**	**7.21**	**1,317.15**
Additions during the year	106.32	936.73	27.52	4.62	**1,075.19**
Disposals during the year	0.27	738.03	52.17	-	**790.47**
As at 31 March 2022	**211.52**	**1,286.58**	**91.94**	**11.83**	**1,601.87**
Additions during the year	147.47	1,193.00	32.01	-	**1,372.48**
Disposals during the year	-	-	-	-	**-**
As at 31 March 2023	**358.99**	**2,479.58**	**123.95**	**11.83**	**2,974.35**
Accumulated depreciation					
As at 1 April 2021	**83.60**	**225.61**	**58.93**	**1.07**	**369.21**
Depreciation for the year	24.22	127.04	22.63	0.98	**174.87**
Disposal of assets	0.14	221.74	35.55	-	**257.43**
As at 31 March 2022	**107.68**	**130.91**	**46.01**	**2.05**	**286.65**
Depreciation for the year	73.83	212.59	21.36	1.58	**309.36**
Disposal of assets	-	-	-	-	**-**
As at 31 March 2023	**181.51**	**343.50**	**67.37**	**3.63**	**596.01**
As at 31 March 2022	**103.84**	**1,155.67**	**45.93**	**9.78**	**1,315.22**
As at 31 March 2023	**177.48**	**2,136.08**	**56.58**	**8.20**	**2,378.34**

Refer note 5.1 for details around assets held as securities against borrowings.

11.1 Intangible Asset

Particulars	Softwares	Goodwill *	Total
Gross block			
As at 01 April 2021	341.59	1,367.27	**1,708.86**
Additions during the year	87.01	-	**87.01**
Disposals during the year	-	-	**-**
As at 31 March 2022	**428.60**	**1,367.27**	**1,795.87**
Additions during the year	5.45	-	**5.45**
Disposals during the year	-	-	**-**
As at 31 March 2023	**434.05**	**1,367.27**	**1,801.32**
Accumulated depreciation			
As at 1 April 2021	123.24	384.76	**508.00**
Depreciation for the year	37.99	136.73	**174.72**
Disposal of assets	-	-	**-**
As at 31 March 2022	**161.23**	**521.49**	**682.72**
Depreciation for the year	44.13	136.68	**180.81**
Disposal of assets	-	-	**-**
As at 31 March 2023	**205.36**	**658.17**	**863.53**
As at 31 March 2022	**267.37**	**845.78**	**1,113.15**
As at 31 March 2023	**228.69**	**709.10**	**937.79**

Note: There are no capital or other commitments to be reported as at the Balance Sheet dates.

*Goodwill has been accounted at the time of acquisition of the brands - "Pernia's Pop Up", "Hemant Trevedi" and "Wendell Rodricks". The said goodwill represents the brand value of these labels which are reputed in the designer fashion market. In accordance with AS 26, this goodwill has been accounted considering useful life of ten years. The group has witnessed a strong growth in all these brands from the date of acquisition (from the perspective of increased customers as well as increased sales). The management believes that this goodwill is a reflection of the enterprise value of the Group and basis independent valuations derived from discounted cash flows of future projections and certified by independent valuation experts, the management is confident that there is no need for any impairment.

KEDIA & AGRAWAL CHARTERED ACCOUNTANTS Mumbai F.R.N. 140989W

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

PURPLE STYLE LABS PRIVATE LIMITED MUMBAI

		As at 31 March 2023	As at 31 March 2022
12	**Non-current investments**		
	Trade investments and unquoted		
	Equity investments in others		
	- Pinkcow Designs Private Limited 1,625 (31 March 2022: 1,625) Shares of ₹10 each	65.00	65.00
	- House of Masaba Lifestyle Private Limited Nil (31 March 2022: 1,173) Shares of ₹100 each	-	50.27
	Less: Provision for impairment of Pinkcow Designs Private Limited	(65.00)	
		-	**115.27**
	Other disclosures for investments:		
	- Aggregate amount of quoted investments	-	-
	- Aggregate amount of unquoted investments	65.00	115.27
	- Aggregate amount of impairment in value of investments	(65.00)	-
13	**Long term loans and advances**		
	Unsecured, considered good		
	Balances with government authorities	1,213.51	133.71
	Income tax assets	47.11	23.17
	Total	**1,260.62**	**156.88**
14	**Other non-current assets**		
	Unsecured and considered good		
	Security deposits	2,433.01	1,354.85
	Total	**2,433.01**	**1,354.85**

15 Deferred tax assets

As per the Accounting Standard 22 "Accounting for taxes on income", the Group would have a net deferred tax asset amounting ₹ 3,504.26 lakhs (Previous Year ₹ 2,728.13 lakhs) comprising mainly of carried forward losses under tax laws. However, as subsequent realisation of such amount in near future is not virtually certain, management is of the view that it is prudent not to recognise deferred tax asset as at balance sheet date.

16	**Inventories**		
	(Valued at lower of cost or net realisable value)		
	Raw material	51.38	41.75
	Work in progress	29.01	12.60
	Stock in Trade	689.68	234.09
	Finished goods	7,940.44	2,408.87
	Total	**8,710.51**	**2,697.31**

Note

During the year ended 31 March 2023, the Group has accounted a provision for inventory obsolescence amounting to ₹14.29 lakhs for finished goods (31 March 2022 : Nil) and 222 lakhs for stock-in-trade (31 March 2022 : Nil) on account of inventory whose net realisable value is lower than the cost.

		As at 31 March 2023	As at 31 March 2022
17	**Trade receivables**		
	Unsecured, considered good	217.94	803.52
	Unsecured, considered doubtful	-	-
	Less: Provision for doubtful receivables	-	-
	Total	**217.94**	**803.52**

(a) Ageing of Trade Receivables as at 31 March 2023

Particulars	Unbilled	Outstanding from following period from the Due Date: Less than 6 months	6 months to 1 year	1-2 Year	2-3 Year	More Than 3 Years	Total
Undisputed Trade receivables							
considered good	-	197.39	20.55	-	-	-	217.94
considered doubtful	-	-	-	-	-	-	-
Disputed Trade receivables							
considered good	-	-	-	-	-	-	-
considered doubtful	-	-	-	-	-	-	-
Total	**-**	**197.39**	**20.55**	**-**	**-**	**-**	**217.94**
Less: Provision for doubtful receivables							-
Total							**217.94**

(b) Ageing of Trade Receivables as at 31 March 2022

Particulars	Unbilled	Outstanding from following period from the Due Date: Less than 6 months	6 months to 1 year	1-2 Year	2-3 Year	More Than 3 Years	Total
Undisputed Trade receivables							
considered good	-	193.77	601.83	7.92	-	-	803.52
considered doubtful	-	-	-	-	-	-	-
							-
Disputed Trade receivables							-
considered good	-	-	-	-	-	-	-
considered doubtful	-	-	-	-	-	-	-
Total	**-**	**193.77**	**601.83**	**7.92**	**-**	**-**	**803.52**
Less: Provision for doubtful receivables							-
Total							**803.52**

18	**Cash and bank balances**		
	Cash on hand	50.34	44.57
	Balance with banks		
	- in current accounts	706.60	1,670.44
	Total	**756.94**	**1,715.01**
19	**Short Term Loans and Advances**		
	Unsecured, considered good		
	Balances with government authorities	3,026.57	2,084.46
	Advances to vendors	1,764.18	1,454.81
	Advances to employees	-	2.83
	Prepaid expenses	80.91	43.79
	Total	**4,871.66**	**3,585.89**
20	**Other current assets**		
	Security deposits	224.71	18.00
	Other receivables (including amount receivable from payment gateways)	304.50	334.12
		529.21	**352.12**

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

KEDIA & AGRAWAL Mumbai F.R.N. 140989W CHARTERED ACCOUNTANTS

PURPLE STYLE LABS PRIVATE LIMITED MUMBAI

Purple Style Labs Private Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2023

(Amount in ₹ lakhs, except for share data, and if otherwise stated)

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
21	**Revenue from operations**		
	Sale of goods	32,547.09	14,815.57
	Sale of services	4,690.96	2,640.52
	Total revenue	**37,238.05**	**17,456.09**
22	**Other income**		
	Interest income	1.45	0.01
	Profit on sale of investments	56.09	-
	Foreign exchange gain	24.76	48.33
	Profit on sale of property, plant and equipment	-	43.22
	Miscellaneous income	0.82	29.43
	Total	**83.12**	**120.99**
23	**Cost of materials consumed**		
	Inventories at the beginning of the year	41.75	23.60
	Add: Purchases	654.57	328.74
	Less: Inventories at the end of the year	51.38	41.75
	Total cost of materials consumed	**644.94**	**310.59**
24	**Purchases**		
	Purchases of traded goods	26,781.91	11,351.94
	Total purchases	**26,781.91**	**11,351.94**
25	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Opening inventory		
	Finished goods (Refer note 16)	234.09	236.53
	Work in progress (Refer note 16)	12.60	4.74
	Stock-in-trade (Refer note 16)	2,408.87	529.39
	Closing Inventory		
	Finished goods (Net of obsolescence of ₹ 14.29 lakhs (31 March 2022: nil)) (Refer note 16)	689.68	234.09
	Work in progress (Refer note 16)	29.01	12.60
	Stock-in-trade (Net of obsolescence of ₹ 222.00 lakhs (31 March 2022: nil)) (Refer note 16)	7,940.44	2,408.87
	Total change in inventory of finished goods, work-in-progress and stock-in-trade	**(6,003.57)**	**(1,884.90)**
26	**Employee benefit expenses**		
	Salaries, wages and bonus	4,120.02	1,926.55
	Contribution to provident fund and other funds (Refer note 34)	90.09	38.70
	Gratuity expenses (Refer note 34)	58.93	29.40
	Employee stock option expense (Refer note 35)	-	2,053.22
	Staff welfare expenses	157.08	76.11
	Total employee benefits expense	**4,426.12**	**4,123.98**
27	**Finance costs**		
	Interest on borrowings		
	- non convertible debentures	230.23	-
	- others	522.80	347.69
	Interest on late payment of statutory dues	94.96	6.07
	Other borrowing cost	3.25	2.89
	Total finance costs	**851.24**	**356.65**
28	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment (Refer note 11)	309.36	174.87
	Amortisation on intangible assets (Refer note 11.1)	180.81	174.72
	Total depreciation and amortization expense	**490.17**	**349.59**
29	**Other expenses**		
	Travelling expenses	230.60	106.93
	Office and administrative expenses	66.48	27.53
	Repair and maintenance charges	231.08	82.93
	Bank charges	4.73	17.34
	Professional charges	694.97	508.53
	Housekeeping and security charges	314.95	91.29
	Packing material	178.36	105.12
	Utilities expenses	348.56	137.42
	Royalty charges	8.52	360.00
	Brokerage and commission	198.23	212.31
	Rates and taxes	115.02	90.29
	Rent expenses (Refer note 36)	3,483.48	1,329.76
	Audit fees (Refer note 33)	42.89	16.23
	Sales and marketing expenses	5,049.46	2,841.57
	Courier Charges	-	2.87
	Printing and stationery	105.21	51.64
	Insurance expenses	18.48	9.75
	Technology expenses	315.96	148.81
	Payment gateway charges	705.86	396.55
	Courier and shipping charges	2,553.89	1,158.14
	Loss on assets discarded	-	358.18
	Impairment of investment	65.00	-
	Miscellaneous expenses	267.46	89.90
	Total other expenses	**14,999.19**	**8,143.09**

KEDIA & AGRAWAL CHARTERED ACCOUNTANTS Mumbai F.R.N. 140989W

WALKER CHANDIOK & Co LLP CHARTERED ACCOUNTANTS MUMBAI

PURPLE STYLE LABS PRIVATE LIMITED MUMBAI

(Amount in ₹ lakhs, except for share data, and if otherwise stated)

30 Exceptional items

Reversal of share based payment cost (Refer note below)	1,064.72	-
Total	**1,064.72**	**-**

Note:
This pertains to reversal of excess cost accounted towards share based payment reserves. This reversal represents the residual cost lying in share based payment reserve after allotment of all the employee stock options to the respective employees. As at 31 March 2023, there are no outstanding stock options.

31 Earnings per share (EPS)

Face value per equity shares (In ₹)	10.00	10.00
Weighted average number of equity shares outstanding during the year (A)	27,740.00	18,724.00
Net loss after tax attributable to equity shareholders (B)	(3,804.11)	(5,173.86)
Earning/(loss) per share - basic and diluted (In ₹) (B/A)	**(13,713.43)**	**(27,632.24)**

Being anti dilutive, the diluted EPS has been capped to the amount as at basic EPS in the current year and previous year.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

KEDIA & AGRAWAL Mumbai F.R.N. 140989W CHARTERED ACCOUNTANTS

PURPLE STYLE LABS PRIVATE LIMITED MUMBAI

Purple Style Labs Private Limited
Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2023
(Amount in ₹ lakhs, except for share data, and if otherwise stated)

32 Related party disclosures :

a) Names of related parties and description of relationship

Key management personnel (KMP)

Mr. Abhishek Binod Agarwal, Director
Mr. Abhinav Agarwal, Director

b) The transactions with related parties are as follows :

Particulars	For the year ended	Abhishek Agarwal	Abhinav Agarwal	Total
1. Equity Shares (Share Capital and Securities Premium)	31 March 2023	-	0.06	**0.06**
	31 March 2022	0.90	0.13	**1.03**
		-	-	
2. Preference Shares (Share Capital and Securities Premium)	31 March 2023	11.40	-	**11.40**
	31 March 2022	-	0.00	**0.00**
		-	-	
3. Expenses incurred on behalf of the company	31 March 2023	26.34	10.81	**37.15**
	31 March 2022	96.16	3.28	**99.44**
		-	-	
4. Remuneration	31 March 2023	23.78	47.78	**71.56**
	31 March 2022	14.18	35.78	**49.96**
5. Loans taken	31 March 2023	640.00	425.00	**1,065.00**
	31 March 2022	-	-	**-**
6. Loans repaid	31 March 2023	640.00	425.00	**1,065.00**
	31 March 2022	-	-	**-**

0.00 refers to amount less than ₹ 500

c) Balances with related parties for the year are as follows :

Particulars	As at	Abhishek Agarwal	Abhinav Agarwal	Total
1. Reimbursement of Expense Payable	31 March 2023	2.73	3.35	**6.09**
	31 March 2022	2.10	-	**2.10**

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

KEDIA & AGRAWAL Mumbai FRN 140989W CHARTERED ACCOUNTANTS

PURPLE STYLE LABS PRIVATE LIMITED MUMBAI

Abhinav

(Amount in ₹ lakhs, except for share data, and if otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
33 Auditor remuneration (excluding taxes)		
Statutory audit fees	37.00	16.03
Out of pocket expense	0.85	0.20
	37.85	**16.23**

34 Employee benefits:
The Group has gratuity as defined benefit retirement plan for the employees of Purple Style Labs Private Limited and PSL Retail Private Limited. Disclosures as required by Accounting Standard - 15 (Revised) for the year ended 31 March 2023 are as under :

Particulars	As at 31 March 2023	As at 31 March 2022
The liabilities recognised for employees consist of the following amounts:		
Long term provisions		
Provision for gratuity (refer note (i) below)	102.19	59.72
	102.19	**59.72**
Short term provisions		
Provision for gratuity (refer note (i) below)	20.04	3.60
	20.04	**3.60**

(i) Defined benefit plan (Unfunded)
The Company has gratuity as defined benefit retirement plan for its employees. Disclosures as required by Accounting Standard - 15 (Revised) for the year ended 31 March 2023 are as under :

Long term provisions

I. The amount recognised in the statement of profit or loss are as follows		
1. Current service cost	41.79	20.23
2. Interest cost	3.75	1.87
3. Past service cost	-	-
4. Net actuarial losses / (gains) recognised during the period	13.39	7.30
Total expense / (income) included in "Employee benefits expense"	**58.93**	**29.40**

II. Since the defined benefits are wholly unfunded the disclosures relating to plan assets are not applicable.

III. Changes in the present value of defined benefit obligation

Change in defined benefit obligation (DBO)		
Defined benefit obligation as at the beginning of the year	63.32	33.92
Interest cost	3.75	1.87
Current service cost	41.79	20.23
Actuarial (Gains) / Losses	13.38	7.30
Past service cost	-	-
Benefits paid	-	-
Defined benefit obligation as at the end of the year	**122.23**	**63.32**

IV. The amount recognised in the balance sheet are as follows :		
Present value of the obligation as at the end of the year	122.23	63.32
Net liability recognised in the balance sheet	**122.23**	**63.32**

V. Assumptions	For the year ended 31 March 2023	For the year ended 31 March 2022
Discount rate (per annum)	7.30%	6.10%
Mortality rate	Indian Assured Lives Mortality Table (IALM) 2012-2014 Ultimate	Indian Assured Lives Mortality Table (IALM) 2012-2014 Ultimate
Salary growth rate	7%	7%
Attrition rate	25%	25%
Retirement age (In years)	60 years	60 years

The estimate of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
The gratuity liability of the Group are unfunded and hence there are no assets held to meet the liabilities.

VI. Experience adjustments

Date of valuation	**31 March 2023**	**31 March 2022**	**31 March 2021**
Defined benefit obligation	122.24	63.32	33.92
Plan Assets	-	-	-
Deficit	**122.24**	**63.32**	**33.92**
Loss/ (gains) due to change in assumptions	(6.15)	(1.47)	(6.75)
Experience losses on defined benefit obligation	19.54	8.77	(9.26)
Total Actuarial loss/(gain) on DBO	**13.39**	**7.30**	**(16.01)**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Provident fund	90.09	38.70
Total	**90.09**	**38.70**

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

KEDIA & AGRAWAL Mumbai F.R.N. 140989W CHARTERED ACCOUNTANTS

PURPLE STYLE LABS PRIVATE LIMITED MUMBAI

Purple Style Labs Private Limited
Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2023
(Amount in ₹ lakhs, except for share data, and if otherwise stated)

35 In the Holding Company, Purple Style Labs Private Limited, Employee Stock Option Plan-2017 was revised and replaced by Stock Option Plan-2019 | Purple Style Labs Private Limited ("ESOP Scheme 2019" / "Plan") and approved by the shareholders on December 15, 2017 and December 05, 2019 respectively. The Plan entitles certain employees to purchase shares of the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised option shall be exercised by delivery of shares. As per the Plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹10. The plan is equity settled.

Details of ESOP granted under the ESOP Scheme 2019 as follows :

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Numbers of options granted	-	1692
Vesting conditions	-	Minimum 1 year
Exercise period	-	10 years
Exercise price	-	Rs. 10 per share
Number of options granted, exercised and forfeited	**As at 31 March 2023**	**As at 31 March 2022**
Balance at the beginning of the year	1,692.00	2,308.00
Granted during the year	-	1,692.00
Forfeited / Expired during the year	-	-
Exercised during the year	(1,692.00)	(2,308.00)
Outstanding at the end of the year	-	**1,692.00**
Exercisable (Options vested not yet exercised) at the end of the year	-	-
Unvested options at the end of the year	-	-

Particulars	**As at 31 March 2023**	**As at March 31, 2022**
Employee stock option charge/(gain) recognised during the year	(1,064.72)	2,053.22

The Holding Company has applied the Black-Scholes based on accounting for determining compensation cost for its stock based compensation cost under the 'Black-Scholes' method. The value of the underlying shares has been determined by an independent valuer.
The compensation cost for employees' stock options been recognized based on the fair value at the date of grant, the Group's net profit and earnings per share do not vary materially in comparison with the compensation cost recognised based on Black-Scholes method as on the date of grant.

The following assumptions were used for calculation of fair value of grants :

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Risk-free interest rate (%)	6.81%	6.81%
Time to expiration (Years)	10	10
Expected volatility (%)	41.29%	41.29%
Dividend yield	-	-

Details of ESOP exercised by Key Managerial personnel during the year :

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Mr. Abhinav Agarwal		
-No of shares	600	405
-Value of shares	929.95	230.75

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

PURPLE STYLE LABS PRIVATE LIMITED MUMBAI

KEDIA & AGRAWAL Mumbai F.R.N. 140989W CHARTERED ACCOUNTANTS

Purple Style Labs Private Limited
Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2023
(Amount in ₹ lakhs, except for share data, and if otherwise stated)

36 Operating Lease

a) The Group has taken various commercial premises on non-cancellable operating lease and cancellable operating lease (with lock-in period). Minimum lease payments outstanding as at 31 March 2023 in respect of these leases are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Minimum lease payments		
Payable not later than 1 year	4,416.97	2,337.73
Payable later than 1 year and not later than 5 years	1,471.59	4,892.56
Total	**5,888.56**	**7,230.29**

Lease payments of ₹ 3483.48 Lakhs (31 March 2022: ₹ 1329.76 Lakhs) in respect of above leases have been recognized as an expense in the statement of profit and loss for the year ended 31 March 2023.

37 Information on contribution by the entities forming part of the Group :

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities				Share in profit and loss			
	31-Mar-23		31-Mar-22		31-Mar-23		31-Mar-22	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount
Parent : Purple Style Labs Private Limited	180.64%	12,394.31	133.55%	7305.20	2.77%	(105.19)	85.83%	(4,440.65)
Subsidiaries								
PSL Retail Private Limited	(56.92%)	(3,905.54)	(7.91%)	(432.92)	91.29%	(3,472.62)	8.17%	(422.55)
Purple Style Labs UK Limited	(30.98%)	(2,125.70)	(25.60%)	(1,400.43)	19.09%	(726.29)	6.00%	(310.65)
Total elimination /adjustment	7.26%	498.11	(0.04%)	(1.93)	(13.14%)	499.99	0.00%	(0.01)
Total	**100.00%**	**6,861.18**	**100.00%**	**5469.92**	**100.00%**	**(3,804.11)**	**100.00%**	**(5,173.86)**

38 Segment Information

Primary segment information

The Group operates under a single (primary) business segment viz. "sale of goods and services related to designer fashion and lifestyle products" which in the context of Accounting Standard (AS) -17 on "Segment Reporting" constitute a single reporting segment.

Secondary segment information

The principle geographic areas in which the Company operates based on the location of customers are "Within India" and "Outside India".

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue by geographical market		
Within India	22,262.98	9,536.44
Outside India	14,975.07	7,919.65
Total	**37,238.05**	**17,456.09**

	As at 31 March 2023	As at 31 March 2022
Carrying value of segment assets		
Within India	20,103.11	10,676.61
Outside India	1,188.86	969.84
Total*	**21,291.97**	**11,646.45**

*Does not include the tax assets and cash and bank balances

39 Other statutory information

i. The Group does not have any undisclosed income, which have not been recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessment under the Income tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act,1961).

ii. No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

iii. The Group has not been declared wilful defaulter by any bank / financial institution.

iv. The Group has not undertaken any transaction with another company whose name have been struck off.

v. The Group has not granted any loan to promoter, directors or KMPs, severally or jointly with any other person, during the year.

vi. Section 135 of the Companies Act, 2013 related to Corporate Social Responsibility is not applicable to the entities of the Group (incorporated in India) during the current year.

vii. 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 Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in a party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any parties with understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

viii. The Group has no working capital limit sanctioned by banks or financial institutions based on the security over current assets.

ix. The Group does not deal in crypto currency or virtual currency.

40 Contingent liabilities

There are no claims against the Group to be reported as contingent liabilities as at the Balance Sheet date.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

Rakesh R. Agarwal
Partner
Membership No. : 109632

Place: Mumbai
Date : 29 September 2023

For **Kedia & Agrawal**
Chartered Accountants
Firm Registration No. 140989W

Sunil Kedia
Partner
Membership No: 427613

Place: Mumbai
Date : 29 September 2023

For and on behalf of the Board of Directors

Purple Style Labs Private Limited

Director

Abhishek Binod Agarwal
Director
DIN : 07237807

Place: Mumbai
Date : 29 September 2023

Abhinav Agarwal
Director
DIN : 07178846

Place: Mumbai
Date : 29 September 2023