

K-lounge Lifestyle Limited
Company Identification Number: U52520MH2021PLC355879
Balance Sheet as on 31st Mar 2023

(Amount Rs. in lakhs)

Particulars	Note No	As At 31st Mar 2023	As At 31st Mar 2022
ASSETS			
1) Non-Current Assets			
a) Property, Plant and Equipment	2.1	779.18	-
b) Capital Work in Progress		-	-
		779.18	-
2) Current Assets			
a) Financial Assets			
i) Investments	2.2	-	495.80
ii) Cash & Cash Equivalents	2.3	11.60	19.30
b) Other Current Assets			
	2.4	0.89	-
		12.48	515.10
TOTAL ASSETS		791.66	515.10
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	2.5	500.00	500.00
b) Other Equity	2.6	3.10	15.00
		503.10	515.00
Liabilities			
1) Non-Current Liabilities			
i) Borrowings	2.7	286.12	-
2) Current Liabilities			
Financial Liabilities			
Other Current Liabilities	2.8	2.44	0.10
		2.44	0.10
TOTAL EQUITY AND LIABILITIES		791.66	515.10

As per our audit report of even date

For and on behalf of the Board of Directors

For and on behalf of

Jain & Trivedi

Chartered Accountants

Registration No. : 113496W

Satish Trivedi

Kewalchand P Jain

H.P. Jain

Satish Trivedi

Partner

Membership No. : 38317



Kewalchand P Jain

Director

DIN. 00029730

Hemant P Jain

Director

DIN. 00029822

Place: Mumbai

Date: 20/04/2023

Place: Mumbai

Date: 20/04/2023

K-lounge Lifestyle Limited
Company Identification Number: U52520MH2021PLC355879
Statement of Profit and Loss for the period ended 31st Mar 2023

(Amount Rs. in lakhs)

Particulars	Note No	For the Quarter Ended 31st Mar 2023	For the Quarter Ended 31st Dec 2022	For the Quarter Ended 31st Mar 2022	For the Year Ended 31st Mar 2023	For the Year Ended 31st Mar 2022
INCOME						
Revenue from operations			-	-		-
Other Income	2.9	-	-	4.86	7.58	15.80
				4.86	7.58	15.80
EXPENDITURE						
Finance Costs	2.10	5.84	4.46	-	10.57	-
Administrative Expenses	2.11	1.65	1.11	0.13	2.91	0.80
		7.49	5.57	0.13	13.48	0.80
Profit before tax		-7.49	-5.57	4.73	-5.91	15.00
Tax Expense						
Current tax			0.70	-	6.00	-
Deferred tax			-	-	-	-
Profit/(Loss) for the year		-7.49	-6.27	4.73	-11.91	15.00
Other Comprehensive Income						
Total Comprehensive Income for the year		-7.49	-6.27	4.73	-11.91	15.00
Earning per equity share of Rs. 10 each						
Basic		(0.15)	(0.13)	0.09	(0.24)	0.30
Diluted		-0.15	-0.13	0.09	(0.24)	0.30

As per our audit report of even date
For and on behalf of
Jain & Trivedi
Chartered Accountants
Registration No. : 113496W

Satish Trivedi
Satish Trivedi
Partner
Membership No. : 38317



Place: Mumbai
Date: 20/04/2023

For and on behalf of the Board of Directors

Kewalchand P Jain
Hemant T Jain

Kewalchand P Jain Hemant T Jain
Director Director
DIN. 00029730 DIN. 00029822

Place: Mumbai
Date: 20/04/2023

K-lounge Lifestyle Limited
Company Identification Number: U52520MH2021PLC355879
Notes forming part of the Financial Statements for the period ended 31st Mar 2023
(Amount Rs. in lakhs)

Note No	Notes	As At 31st Mar 2023	As At 31st Mar 2022		
2.2	Current Investments	31st Mar 2023	31st Mar 2022		
	<i>Investments in Mutual funds -</i>				
	Aditya BSL Debt POOL A/c	-	155.22		
	[Units: 52,391.421 units]				
	Axis Banking & PSU Debt Fund	-	154.87		
	[Units: 7234.460 units]				
	Hdfc Mutual Fund	-	185.71		
	[Units: 756,277.418 units]				
	Total	-	495.80		
	Aggregate value of Unquoted Investments				
	At Cost	-	480.00		
	At Market Value	-	495.80		
2.3	Cash and cash equivalents	31st Mar 2023	31st Mar 2022		
	Balances with banks				
	In Current Account	11.60	19.30		
	Cash on hand				
	Total	11.60	19.30		
2.4	Other Current Assets	31st Mar 2023	31st Mar 2022		
	GST Receivable	0.26			
	Prepaid Insurance	0.52			
	Advance Tax	0.10			
	Total	0.89	-		
2.5	Equity Share Capital	31st Mar 2023	31st Mar 2022		
	Authorised Share capital				
	1,00,00,000 Equity shares of Rs.10/- each	1,000	1,000		
		1,000	1,000		
	Issued, subscribed & fully paid up equity share capital				
	50,00,000 Equity shares of Rs.10/- each, fully paid up	500	500		
	Total	500	500		
a)	Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period				
	Equity Shares	31st Mar 2023		31st Mar 2022	
		No. of shares	Face value of Shares	No. of shares	Face value of Shares
	Shares outstanding at the beginning of the year	50	500	50	500
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of	50	500	50	500



K-lounge Lifestyle Limited
Company Identification Number: U52520MH2021PLC355879
Notes forming part of the Financial Statements for the period ended 31st Mar 2023
(Amount Rs. in lakhs)

b) **Details of the shareholders holding more than 5% Equity shares in the company**

Name of Shareholder	31st Mar 2023		31st Mar 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kewal Kiran Clothing Ltd	50	99.9999	50	99.9999

c) **Shares held by promoters at the end of the period 31st Mar 2023**

Promoter Name	No. of Shares	% of total shares
Kewal Kiran Clothing Ltd	50	99.9999
Hemant P. Jain	0	0.00002
Dinesh P. Jain	0	0.00002
Vikas P. Jain	0	0.00002
Pankaj K. Jain	0	0.00002
Hitendra H. Jain	0	0.00002
Yash V. Jain	0	0.00002
Total	50	100

d) **Shares held by promoters at the end of the year 31st March 2023**

Promoter Name	No. of Shares	% of total shares
Kewal Kiran Clothing Ltd	50	99.9999
Hemant P. Jain	0	0.00002
Dinesh P. Jain	0	0.00002
Vikas P. Jain	0	0.00002
Pankaj K. Jain	0	0.00002
Hitendra H. Jain	0	0.00002
Yash V. Jain	0	0.00002
Total	50	100

2.6	Other Equity	31st Mar 2023		31st Mar 2022	
	Balance in Statement of Profit and Loss				
	Opening balance	15.00		-	
	Add: Net profit transferred from Statement of Profit and Loss	-11.91		15.00	
	Less:- Transferred to General R	-	3.10	-	15.00
	Total		3.10		15.00

2.7	Non - Current Liabilities	31st Mar 2023	31st Mar 2022
	Unsecured		
	<i>Loans From Related Parties</i>		
	Loan From Directors	-	-
	Loan From Kewal Kiran Clothing Ltd	286.12	-
	Total	286.12	-

2.8	Other Current Liabilities	31st Mar 2023	31st Mar 2022
	Provision For Expenses	0.20	0.10
	TDS Payable	1.16	-
	Sundry Creditors	1.08	
	Provision For Income Tax		-
	Total	2.44	0.10



K-lounge Lifestyle Limited
Company Identification Number: U52520MH2021PLC355879
Notes forming part of the Financial Statements for the period ended 31st Mar 2023

(Amount Rs. in lakhs)

2.9	Other Income	For the Quarter Ended 31st Mar 2023	For the Quarter Ended 31st Dec 2022	For the Quarter Ended Mar 2022	For the Year Ended 31st Mar 2023	For the Year Ended 31st Mar 2022
	Effect of Fair Value Measurement	-	-	4.86	7.58	15.80
	Misc. Income		-	-	0.00	0.00
	Total	-	-	4.86	7.58	15.80
2.10	Finance Costs	For the Quarter Ended 31st Mar 2023	For the Quarter Ended 31st Dec 2022	For the Quarter Ended 31st Mar 2022	For the Year Ended 31st Mar 2023	For the Year Ended 31st Mar 2022
	Bank Charges	0.00	0.00	-	0.00	-
	Interest expense	5.84	4.46	-	10.56	-
	Total	5.84	4.46	-	10.57	-
2.11	Administrative Expenses	For the Quarter Ended 31st Mar 2023	For the Quarter Ended 31st Dec 2022	For the Quarter Ended 31st Mar 2022	For the Year Ended 31st Mar 2023	For the Year Ended 31st Mar 2022
	Legal Fees		-			-
	Demat charges		-	-		0.48
	ROC fees		-	-	0.05	0.03
	Miscellaneous charges		0.12	-		0.08
	Professional Fees	0.85	0.47	0.03	1.32	0.11
	Audit Fees	0.30	-	0.10	0.30	0.10
	Repairs and Maintenance	0.12	-	-	0.24	-
	Fire Insurance		0.52	-	0.52	-
	Annual Custody Fees		-	-	0.11	-
	Electricity Exp	0.35			0.35	
	Depreciation	0.03			0.03	
	Total	1.65	1.11	0.13	2.91	0.80



K-lounge Lifestyle Limited
Company Identification Number: U52520MH2021PLC355879
Cash Flow Statement for the Period Ended 31st Mar 2023

(Amount Rs. in lakhs)

Particulars	For the Period Ended 31st Mar, 2023		For the Period Ended 31st Mar, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Taxes as per Statement of Profit and Loss		-5.91		15.00
Adjustments for:				
Depreciation	0.03			
Effect of fair value measurement of investments	-7.58		-15.80	
		-7.54		-15.80
Short-term loans and advances		-13.45		-0.80
Trade Receivable and Other Assets	-0.79		-	
Trade Payables, Liabilities and Provisions	2.34		0.10	
		1.55		0.10
Net Cash Inflow from Operating Activities		-11.90		-0.70
Less: Income Tax paid (Net of Refund)		-6.10		-
Net Cash Inflow/(outflow) from Operating Activities		-18.00		-0.70
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		-779.21		-
Sale of Fixed Assets		-		-
Investments in Joint Venture		-		-
Investment in Fixed Deposit with NBFC's		-		-
Purchase of Investments		-		-480.00
Redemption of Investments		503.37		-
Net Cash inflow/(Outflow) from Investing Activities		-275.83		-480.00
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issuance of Share Capital		-		500.00
Loans From Related Parties		286.12		-
Net Cash Inflow/(Outflow) from Financing Activities		286.12		500.00
Net Increase/ (Decrease) in Cash & Cash Equivalents		-7.70		19.30
CASH AND CASH EQUIVALENTS - OPENING		19.30		-
		11.60		19.30
Effect of Exchange(Gain)/Loss on Cash and Cash Equivalents		-		-
CASH AND CASH EQUIVALENTS - CLOSING		11.60		19.30

As per our audit report of even date

For and on behalf of

Jain & Trivedi

Chartered Accountants

Registration No. : 113496W

Satish Trivedi

Satish Trivedi

Partner

Membership No. : 38317

Place: Mumbai

Date: 20/04/2023



For and on behalf of the Board of Directors

Kewalchand P Jain

Kewalchand P Jain

Director

DIN. 00029730

Place: Mumbai

Date: 20/04/2023

Hemant P Jain

Hemant P Jain

Director

DIN. 00029822

K-lounge Lifestyle Limited
 Note -2.1 Property, Plant and Equipment
 Tangible Assets

(Amount is in Rs. Lakhs)

Sr. No.	Description	GROSS BLOCK			DEPRECIATION					NET BLOCK		
		As at 1st April 2022	Additions	Deduction	As at 31st Mar 2023	As at 1st April 2022	Adjusted in Retained Earnings	For the Year	Acc. Dep on FA Sold / Discarded	As at 31st Mar 2023	As at 31st Mar 2023	As at 31st March 2022
1	Property	-	779.21	-	779.21	-	-	0.03	-	0.03	779.18	-
	Total	-	779.21	-	779.21	-	-	0.03	-	0.03	779.18	-



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

1. Company Overview and Significant Accounting Policies:

A. Corporate Information

K-Lounge Lifestyle Limited ("the Company") is a Limited Company incorporated in India having its registered office at Mumbai, Maharashtra. The Company is engaged into Retail business.

B. Statement of Compliance and Basis of Preparation

(i) Compliance with Ind AS

The financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, the relevant provisions of the Companies Act, 2013 ("the Act").

For the period ended March 31, 2023, the Company has prepared its financial statements in accordance with Accounting Standards as specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP").

(ii) Basis of Preparation and presentation

Basis of Preparation:

The financial statements have been prepared on a historical cost basis, except the following assets and liabilities which have been measured at fair value

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

Functional and Presentation Currency:

The financial statements are presented in Indian Rupees and all values are in absolute Rupees except when otherwise indicated.



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

C. Summary of Significant Accounting Policies

1.1 Classification of Assets and Liabilities into Current/Non-Current:

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

- a) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- b) It is held primarily for the purpose of trading; or
- c) It is expected to realise the asset within twelve months after the reporting period; or
- d) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

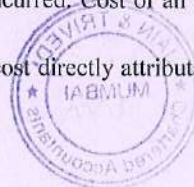
All other assets are classified as non-current. A liability is classified as current if:

- a) It is expected to be settled in the normal operating cycle; or
- b) It is held primarily for the purpose of trading; or
- c) It is due to be settled within twelve months after the reporting period; or
- d) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

1.2 Property, Plant and Equipment (PPE):

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Following initial recognition, items of PPE are carried at its cost less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Cost of an item of PPE includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying



ificant Accounting policies and Notes forming part of the Financial Statements for the period
1 31st Mar, 2023

asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset. Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment. Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

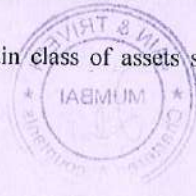
1.3 Expenditure during construction period:

Expenditure / Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress and the same is allocated to the respective PPE on the completion of their construction.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

1.4 Depreciation:

- a) Property, plant and equipment are eliminated from financial statement either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.
- b) Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II of the Act except certain class of assets specified in table (i) below, based on



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

internal assessment estimated by the management of the Company, where the useful life is lower than as mentioned in Schedule II.

- c) In case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.
- d) Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.
- e) Leasehold lands are amortized over the period of lease or useful life whichever is lower. Buildings constructed on leasehold land are depreciated over its useful life which matches with the useful life mentioned in Schedule II. In cases where building is having useful life greater than the period of lease (where the Company does not have right of renewal), the same is amortized over the lease period of land. Non- Factory Building 60 years

1.5 Intangible Assets and Amortisation:

- a) Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.
- b) Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.
- c) Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

- d) Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.
- e) In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition.

1.6 Current assets (or disposal Company) classified as held for disposal:

Assets are classified as held for disposal and stated at the lower of carrying amount and fair value less costs to sell.

To classify any Asset as "Asset held for disposal" the asset must be available for immediate sale and its sale must be highly probable. Such assets or Company of assets are presented separately in the Balance Sheet, in the line "Assets held for disposal". Once classified as held for disposal, intangible assets and PPE are no longer amortised or depreciated.

1.7 Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Inventories:

The inventories (including traded goods) are valued at lower of cost and net realizable value after providing for cost of obsolescence wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Since the Company is in fashion industry with diverse designs / styles, the cost of inventory is determined on the basis of specific identification method (as the same is considered as more suitable).

In case of work in progress and finished goods, the costs of conversion include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. The cost of finished goods also includes excise duty wherever applicable.



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

1.9 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, amortization of discounts and other costs that an entity incurs in connection with the borrowing of funds.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognized in Statement of Profit and Loss as finance costs

1.10 Provisions, Contingent Liabilities and Contingent Assets:

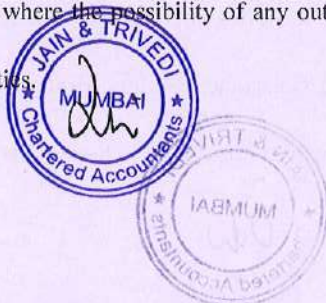
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

A contingent asset is disclosed, where an inflow of economic benefits is probable. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

1.11 Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

- a) Sales of goods are recognized when significant risks and rewards of ownership of the goods have passed to the buyer that coincides with delivery and is measured at the fair value of consideration received or receivable taking into account the amount of goods and services tax (GST), sales tax, rebates, trade discounts and sales returns.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- c) Dividend income on investment is accounted for in the year in which the right to receive the payment is established.
- d) Rental income on assets given under operating lease arrangements is recognized on a straight-line basis over the period of the lease unless the receipts are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

1.12 Income Taxes:

- a) Tax expenses comprise of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted against securities premium or retained earnings or other reserves, the corresponding tax effect is also adjusted against the securities premium or retained earnings or other reserves, as the case may be, as per the announcement of Institute of Chartered Accountant of India.



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

- b) Current Tax is measured on the basis of estimated taxable income for the current accounting period in with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.
- c) Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable

1.13 Earnings per Share:

Basic earnings per share (EPS) are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split if any.

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



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

1.14 Financial Instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

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

Fair Value through OCI:

A financial asset shall be classified and measured at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

cash flows and selling financial assets and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at FVOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Equity Investments:

The Company subsequently measures its specific equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset (other than specific equity instrument classified as FVOCI) in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Loans and Borrowings

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends (including Dividend distribution tax) on these preference shares are recognised in Statement of Profit and Loss as finance costs.

1.15 Cash and Cash Equivalents:

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

1.16 Dividend distribution:

Final equity dividends on shares are recorded as a liability on the date of approval by the shareholders and interim equity dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

1.17 Segment Reporting:

Operating segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. These operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM").



1.18 Analytical Ratios :



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

Mar-23

Mar-22

(a) Current ratio	5.12	5151.02
(b) Debt-equity ratio	0.57	N.A
(c) Debt service coverage ratio	-0.12	15
(d) Return on equity ratio	-0.02	0.03
(e) Inventory turnover ratio	NA	N.A
(f) Trade receivables turnover ratio	NA	N.A
(g) Trade payables turnover ratio	NA	N.A
(h) Net capital turnover ratio	NA	N.A
(i) Net profit ratio	NA	N.A
(j) Return on capital employed	0.01	0.03
(k) Return on investment	0.02	0.02

Explanation for significant changes in the ratio: As the Company was incorporated in March -2022, hence ratios are not comparable.



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

D. Critical accounting judgements and key sources of estimation uncertainty:

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

Critical judgements and estimates in applying accounting policies:

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

1) Income Taxes:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions

2) Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life. The useful lives of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

2. NOTES TO ACCOUNTS

2.07 Shareholders Agreement:

There is a Shareholder agreement with Kewal Kiran Clothing Limited.

2.08 Related Party Disclosure

Disclosures as per Ind AS 24 – ‘Related Party Disclosures’ are given below:

- a) Related Parties where i) control exists and ii) where significant influence exists (with whom transaction have taken place during the year)

Venturers:

Kewal Kiran Clothing Ltd

Key Management Personnel:

Kewalchand P. Jain Director

Hemant P Jain Director

- b) The following transactions were carried out with the related parties in the ordinary course of business:

(Rs.in Lakhs)

Nature of Transaction	Name of Related Party	31 st Mar 2023	31 st Mar 2022
Borrowings	Kewal Kiran Clothing Ltd	286.12	Nil
Interest expense	Kewal Kiran Clothing Ltd	10.56	Nil

2.09 Auditors Remuneration:

(Rs. In Lakhs)

Particulars	31st Mar 2023	31st March 2022
Audit Fees (Including GST)	0.30	0.10
Taxation Matters	-	-
Other Matters	0.80	-

2.10 Income taxes:



Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

Provision for Tax has been made on the basis of estimated taxable income for the current accounting period in with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws. Further, in view of inability to assess future taxable income, deferred tax assets which may be adjusted in the subsequent years is not ascertainable at this stage and accordingly the same has not been recognized in these accounts on prudent basis.

2.11 Fair Value Measurement:

The management assessed that cash and bank balances, trade receivables, trade payables, and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels.

The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

The fair value of all equity investments and units of mutual funds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The Company's assets and liabilities are measured at amortised cost using Level 3 except financial asset





Significant Accounting policies and Notes forming part of the Financial Statements for the period ended 31st Mar, 2023

being investments in mutual funds are measured at fair value through profit and loss as per Level 2 hierarchy.

2.12 Financial risk management objectives and policies:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, investments, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks

2.13 These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013. Previous year figures are regrouped or rearranged wherever considered necessary.

As per our audit report of even date

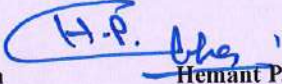
For and on behalf of the Board of Directors

For and on behalf of

10-1-2023

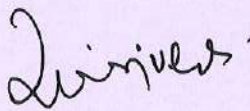
Jain & Trivedi
Chartered Accountants
Registration No. : 113496W

Kewalchand P. Jain
Director


Hemant P. Jain
Director

DIN:00029730

DIN:00029822





Satish Trivedi
Partner

Membership No. : 38317

Place: Mumbai

Date: 20-04-2023

Place: Mumbai

Date: 20-04-2023

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DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 2nd Annual Report of K-Lounge Lifestyle Limited along with audited Accounts of the Company for the period ended March 31, 2023.

FINANCIAL HIGHLIGHTS:

Our Company's financial performance for the period under review has been encouraging and is summarized below:

Amount in Rs.

Particulars	2022-23	*2021-22
Revenue from Operations		
Other Income	7,58,000	15,80,000
Total Revenue	7,58,000	15,80,000
Total Expenditure	13,48,000	80,000
Profit before Tax Expenses (PBT)	(5,91,000)	15,00,000
Tax Expenses	6,00,000	-
Net Profit/ (Loss) for the year	(11,91,000)	15,00,000
Earnings per share (EPS)	(0.24)	0.30

STATE OF COMPANY AFFAIRS AND PERFORMANCE REVIEW:

The Company has not carried any business activity. The gross income of the company stood at Rs. 7,58,000/- during current year as against Rs. 15,80,000/- in the previous year. In the year under review the company made a loss before tax of Rs. 5,91,000/- as against profit before tax of Rs. 15,00,000/- in the previous year and loss after tax of Rs. 11,91,000/- as against profit after tax of Rs. 15,00,000/- in the previous year. Your Directors are confident of improving the performance of the company in the ensuing year.

DIVIDEND:

No Dividend was declared for the financial year in order to conserve resources.

TRANSFER TO RESERVES:

The Company has not transferred any amount to the reserves for the financial year 2022-23.

SHARE CAPITAL:

There is no change in share capital during the financial year 2022-23.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The Company has effective system in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws. During the year, such control was tested and no reportable material weakness in the design or operation was observed.

STATUTORY AUDITORS:

M/S Jain and Trivedi, Chartered Accountants, Mumbai, were appointed at the 1st annual general meeting held on September 6, 2022 for a period of 5 (five) years which is up to the conclusion of sixth annual general meeting of the company as the Statutory Auditors of the company. The company has received a certificate from the auditors to the effect that their appointment would be in accordance with the conditions prescribed under Rule 4 of The Companies (Audit and Auditors) Rules 2014 and that they satisfy the criteria mentioned under Section 141 of the Companies Act, 2013.

AUDITORS REPORT:

The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer.

The Board of Directors state that no fraud has been reported by the Auditors under section sub-section 12 of section 143 of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013:

Your Company has not given any loans, guarantee or investment in securities during the financial year 2022-23.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year the Company has not entered into any related party transactions therefore the details of AOC-2 is not given.

WHOLLY OWNED SUBSIDIARY COMPANY:

The company is a wholly owned subsidiary of Kewal Kiran Clothing Limited.

PARTICULARS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY:

The Company does not have any subsidiary, joint venture or associate company.

MATERIAL CHANGES AFFECTING THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report.

There has been no change in the nature of business of the Company.

SECRETARIAL STANDARDS:

The Company has complied with all applicable Secretarial Standards issued by Institute of Company Secretaries of India on Meetings of Board of Directors, General Meeting and Report of the Board of Directors.

CHANGE IN THE NATURE OF BUSINESS:

During the year under review, there was no change in the nature of business of the Company.

EXTRACT OF ANNUAL RETURN:

Since the company does not have Web address, the annual return as on 31st March, 2023 referred to in section 92(3) read with 134(3)(a) of The Companies Act, 2013 has not been placed on its website.

DETAILS OF MEETINGS OF THE BOARD OF DIRECTORS:

The Board meets at regular interval to discuss and decide on the Company's policies and strategies apart from other Board matters. The tentative annual calendar of the Board Meeting is circulated in advance to facilitate the Directors to plan their schedule and to ensure participation in the meeting.

Board Meetings held till date:

Sr. No.	Day & Date of the Meeting
1	Monday, May 2, 2022
2	Saturday, July 16, 2022
3	Monday, July 18, 2022
4	Thursday, September 15, 2022
5	Friday, October 14, 2022
6	Tuesday, January 03, 2023

The gap between the two Board Meetings did not exceed 120 days.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of energy:

Energy conservation dictates how efficiently a company can conduct its operation. The Company recognized the importance of energy conservation.

Energy Conservation measure taken:

Adequate Care is taken to minimize the use of electricity by switching off the lights etc. when not in use.

B) Technology absorption:

The Company has not imported any technology and hence the question of its absorption does not arise.

C) Foreign exchange earnings and Outgo:

Foreign Exchange Earnings - Nil
Foreign Exchange Outgo – Nil

MAINTENANCE OF COST RECORD:

The Company is not required to maintain cost record as specified by the Central Government under section 148(1) of the Companies Act, 2013.

CHANGES IN DIRECTORSHIP:

There are no Change in composition of Board of Directors.

FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of Directors knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 read with section 134 (5) of Companies Act, 2013.

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure's;

- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions relating to Corporate Social Responsibility are not applicable to the Company.

PARTICULARS OF EMPLOYEES:

During the year no employees has received remuneration exceeding the limits, the statement of employees are not attached to this report pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

RISK MANAGEMENT:

The Board of Directors is, on continuous basis, implementing and monitoring the risk management plan for the Company. The Board is responsible for reviewing risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

ANTI SEXUAL HARASSMENT POLICY:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, there were no complaints reported to the Board.

ACKNOWLEDGMENTS:

Your Board of Directors wish to place on record its appreciation for the commitment, dedication and hard work done by the employees of the Company and the cooperation extended by Banks, Government Authorities, Customers, Shareholders and looks forward to a continued mutual support and co-operation,

For & On behalf of Board
K-LOUNGE LIFESTYLE LIMITED

Kewalchand P. Jain

Date: April 20, 2023
Place: Mumbai

Kewalchand P. Jain (DIN - 00029730)
Chairman