

Kalpesh Gosalia

B.Com., F.C.A.

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**Diwan Gosalia & Associates**

**Chartered Accountants**

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**Independent Auditors' Report  
To the Members of  
ENOVATE LIFESTYLES PRIVATE LIMITED  
Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of ENOVATE LIFESTYLES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



| Sr. No | Key Audit Matter   | Auditor's Response  |
|--------|--|---|
| 1      | <p><b>Existence of inventory:</b></p> <p>Refer Note 7 "Inventory" to the Standalone Financial Statements.</p> <p>The Company's inventories primarily comprises of jewellery of gold, diamonds, gemstones etc. ("inventory")</p> <p>We have considered existence of inventory to be a key focus area for our audit due to:</p> <ol style="list-style-type: none"> <li>the high value and nature of inventory involved could lead to a significant risk of loss of inventory</li> <li>inventory being held at various locations across the country and third party job workers.</li> </ol> | <p><b>Our principal audit procedures performed, among other procedures, included the following:</b></p> <ul style="list-style-type: none"> <li>Obtained an understanding of the management's process for safeguarding and physical verification of inventories including the appropriateness of the Company's procedures for conducting, reconciling and recording physical verification of inventories.</li> <li>Evaluated the design and implementation of relevant controls and carried out the testing of operating effectiveness of controls over conducting, reconciling and recording physical verification of inventories.</li> <li>Tested the operating effectiveness of controls around the IT systems for recording of inward and outward movements of inventory.</li> <li>For a sample of locations, we performed the following procedures: <ul style="list-style-type: none"> <li>Attended physical verification of stocks conducted by the Company at the year end.</li> <li>Also checked on a sample basis reconciliation of inventories as per physical inventory verification and book records.</li> <li>We also verified the cartage of the jewellery on a sample basis during our attendance at the physical verification.</li> </ul> </li> <li>For stock held with the third-party job workers, we obtained independent confirmations of inventories held with them.</li> </ul> |

#### Information other than the Financial Statements and Auditors Report There on

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Financial Statements

The Company's management & Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of





these financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

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





uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

- (1) As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;





- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
- e. On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2";
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended;

Based upon the audit procedures performed and the information and explanations given by the management, the Company has paid managerial remuneration during the year, however, as per Section 197 of the Act managerial remuneration is applicable only to public company hence not commented upon.

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

(i) There is no pending litigation as at March 31, 2023 as result no impact on its financial position in its financial statements.

(ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds which are material either individually or in the aggregate have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds which are material either individually or in the aggregate have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.

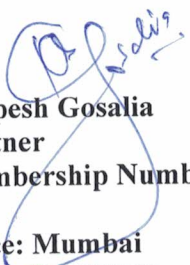


Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The company has not declared or paid any dividend during the year and thus sec 123 of Companies Act, 2013 is not applicable.

(vi) Provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For DIWAN GOSALIA AND ASSOCIATES**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 111881W**

  
**Kalpesh Gosalia**  
**Partner**  
**Membership Number - 113582**

**Place: Mumbai**  
**Date: 12/05/2023**  
**UDIN: 23113582BGVIGV9396**





**“Annexure 1” to the Independent Auditors’ Report**

**The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended March 31, 2023 we report that:**

**(i) In respect to Company’s Fixed Assets:**

- a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property Plant and Equipment on the basis of available information.  
  
B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.
- b) All fixed assets have been physically verified by the management periodically during the year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets no material discrepancies were noticed by the management on such verification.
- c) The Company does not own any Immovable Assets. Accordingly, provisions of paragraph 3(i)(c) of the Order in respect of Title Deeds of the Immovable Properties are not applicable to the Company and hence not commented upon.
- d) The Company has not revalued its Property Plant and Equipment or intangible assets or both and so provisions of paragraph 3(i)(d) of the Order in respect of Revaluation of the Property Plant and Equipment are not applicable to the Company and hence not commented upon.
- e) According to the information and explanation given to us by the company no proceedings have been initiated or are pending against the company for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder. As provisions of paragraph 3(i)(e) of the Order in respect to holding Benami property under the Benami Transactions are not applicable to the Company and hence not commented upon.

**(ii) In respect to Company’s Inventory:**

- a) The inventories except for (stocks held with third parties), were physically verified during the year by the management at reasonable intervals. In our opinion and based on the information and explanations given to us the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year end, written confirmations have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- b) The Company has not sanctioned any working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current asset. Thus provisions of paragraph 3(ii)(b) of the Order in



respect to this are not applicable to the Company and hence not commented upon.

- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) The company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investment made and guarantees and securities provided, as applicable
- (v) The company has not accepted any deposits from the public and hence the directives issued by the Reserve bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company. Thus reporting under clause of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our verification of the records of the Company, undisputed statutory dues including sales tax, income tax, custom duty, wealth tax, excise duty, cess, Goods and Service Tax and other statutory dues have been generally regularly deposited with the appropriate authority.  
(b) According to the information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.  
(c) According to the information and explanations given to us, there are no dues of Income tax or Sales tax or Service tax or Goods & Service tax or duty of Customs or duty of Excise or Value added taxes which have not been deposited by the Company on account of disputes.
- (viii) According to information and explanation given to us, none of the transaction not recorded in books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company does not have any loans or borrowings from any financial institution, banks and government or has not issued any debentures. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3[x(a)] of the Order is not applicable.  
(b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.





- (xi) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Financial Statements as required under Indian Accounting Standards (IND AS) 24, Related party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) (a) According to the information and explanations given to us, the Company has an adequate internal control system which has been commensurate with the size and nature of its business.
- (b) The Company does not meet the criteria specified for internal audit by the internal auditor as specified in Section 138 of Companies Act 2013. Thus paragraph 3[xiv (b)] of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company did not enter into any non-cash transactions with directors or persons connected with directors during the year. Accordingly, the paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (xvii) The Company has not incurred cash losses in two consecutive financial years thus the paragraph 3(xvii) of the Order is not applicable to the Company.
- (xviii) During the year, no resignation was received from statutory auditor thus the paragraph 3(xviii) of the Order is not applicable to the Company.
- (xix) Based upon the audit procedures performed and the information and explanations given by the management in respect to financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on 31<sup>st</sup> March 2023 and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date i.e. 31<sup>st</sup> March 2023 subject to Note 1B of the financial statement.
- (xx) In our opinion and according to the information and explanations given to us, the company does not exceed the limit as specified under sec 135 of the companies act, Thus paragraph 3(xx) of the Order is not applicable and hence not commented upon.



(xxi) In our opinion and according to the information and explanations given to us, consolidation of the financial statements as per section 129 (3) of Companies Act, 2013 is not applicable to the Company, Thus paragraph 3(xxi) of the Order is not applicable and hence not commented upon

**For DIWAN GOSALIA AND ASSOCIATES**

**Chartered Accountants**

**ICAI Firm Registration Number: 111881W**

  
**Kalpesh Gosalia**

**Partner**

**Membership Number - 113582**



**Place: Mumbai**

**Date: 12/05/2023**

**UDIN: 23113582BGVIGV9396**



## **“Annexure 2” to the Independent Auditors’ Report**

**The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended March 31, 2023 we report that:**

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

We have audited the internal financial controls over financial reporting of ENOVATE LIFESTYLE PRIVATE LIMITED (‘the Company’) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For DIWAN GOSALIA AND ASSOCIATES**

**Chartered Accountants**

**ICAI Firm Registration Number: 111881W**

  
**Kalpesh Gosalia**

**Partner**

**Membership Number - 113582**

**Place: Mumbai**

**Date: 12/05/2023**

**UDIN: 23113582BGVIGV9396**





# **ENOVATE LIFESTYLES PRIVATE LIMITED**

**Audited Financial Statements**

**For the Year Ended - 31ST March, 2023**

**ENOVATE LIFESTYLES PRIVATE LIMITED**  
CIN: U74900MH2010PTC211692  
**BALANCE SHEET AS AT 31ST MARCH 2023**

| Particulars  | Notes | As At<br>31st March,<br>2023<br>Rupees | As At<br>31st March,<br>2022<br>Rupees |
|--|-------|--|--|
| <b>ASSETS</b>  |       |  |  |
| <b>Non-Current Assets</b>                                |       |  |  |
| Tangible Assets  |       |  |  |
| Property, Plant & Equipment                              | 2     | 2,94,81,364                            | 1,75,88,699                            |
| Intangible Assets  |       |  |  |
| Website Development, Digital Content & Website Infomedia | 2     | 2,06,26,477                            | 2,44,93,314                            |
| Capital Work in Progress                                 | 3     | 65,16,618                              | 24,10,465                              |
| Right of Use Assets                                      | 4     | 4,45,18,754                            | -                                      |
| Financial Assets   |       |  |  |
| Investments  | 5     | 4,35,00,000                            | 60,00,000                              |
| Other Financial Asset                                    | 6     | 62,16,452                              | -                                      |
| Deferred tax asset (net)                                 | 23    | 3,74,15,945                            | 1,08,94,596                            |
| <b>Total Non Current Assets</b>                          |       | <b>18,82,75,610</b>                    | <b>6,13,87,074</b>                     |
| <b>Current Assets</b>                                    |       |  |  |
| Inventories  | 7     | 21,69,96,885                           | 17,17,13,942                           |
| Financial Assets   |       |  |  |
| Trade Receivables  | 8     | 9,73,38,174                            | 7,91,59,543                            |
| Cash and Cash Equivalents                                | 9     | 3,89,57,233                            | 5,75,08,854                            |
| Other Financial Assets                                   | 10    | 18,39,700                              | 24,09,700                              |
| Current Tax Asset (Net)                                  | 22    | 60,93,762                              | 49,32,816                              |
| Other Current Assets                                     | 11    | 9,50,13,443                            | 6,71,85,629                            |
| <b>Total Current Assets</b>                              |       | <b>45,62,39,197</b>                    | <b>38,29,10,484</b>                    |
| <b>TOTAL ASSETS</b>                                      |       | <b>64,45,14,808</b>                    | <b>44,42,97,558</b>                    |
| <b>EQUITY AND LIABILITIES</b>                            |       |  |  |
| <b>EQUITY</b>  |       |  |  |
| Equity Share Capital                                     | 12    | 38,21,300                              | 38,21,300                              |
| Other Equity   | 13    | 11,36,78,660                           | 19,18,91,702                           |
| <b>Total Equity</b>                                      |       | <b>11,74,99,960</b>                    | <b>19,57,13,002</b>                    |
| <b>LIABILITIES</b>                                       |       |  |  |
| <b>Non Current Liabilities</b>                           |       |  |  |
| <b>Financials Liabilities</b>                            |       |  |  |
| Long Term Borrowings                                     | 14    | 29,57,97,431                           | 6,23,21,027                            |
| Lease Liabilities  | 15    | 3,78,38,079                            | -                                      |
| Provisions   | 16    | 96,42,431                              | 64,51,269                              |
|  |       | <b>34,32,77,941</b>                    | <b>6,87,72,296</b>                     |
| <b>Total Non Current Liabilities</b>                     |       | <b>46,07,77,902</b>                    | <b>26,44,85,298</b>                    |
| <b>Current Liabilities</b>                               |       |  |  |
| Financial Liabilities                                    |       |  |  |
| Trade Payables   | 17    | 6,60,75,903                            | 7,09,14,451                            |
| Other Financial Liabilities                              | 18    | 89,31,265                              | -                                      |
| Other Current Liabilities                                | 19    | 10,75,25,573                           | 10,86,70,408                           |
| Provisions   | 20    | 12,04,165                              | 2,27,401                               |
| Current tax liabilities (net)                            | 21    | -                                      | -                                      |
| <b>Total Current Liabilities</b>                         |       | <b>18,37,36,906</b>                    | <b>17,98,12,260</b>                    |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>                    |       | <b>64,45,14,808</b>                    | <b>44,42,97,558</b>                    |

Summary of Significant Accounting Policies

1

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

For **DIWAN GOSALIA & ASSOCIATES,**  
Chartered Accountants.  
Firm Registration No.: 111881W

**KALPESH GOSALIA**  
Partner.  
Membership No.113582  
Mumbai,  
Date:



12 MAY 2023

  
**Sanjay Raghuraman**  
Director  
DIN: 06539868  
Date

  
**Rupesh Babulal**  
Director  
DIN: 05285555  
Date





ENOVATE LIFESTYLES PRIVATE LIMITED  
 CIN: U74900MH2010PTC211692  
 STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2023

| Particulars   | Notes | For The Quarter Ended |                      |                      | For The Year Ended    |                       |
|---|-------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
|   |       | 31st March, 2023      | 31st December, 2022  | 31st March, 2022     | 31st March, 2023      | 31st March, 2022      |
|   |       | Rupees                | Rupees               | Rupees               | Rupees                | Rupees                |
| <b>INCOME</b>   |       |                       |                      |                      |                       |                       |
| Revenue from Operations   | 24    | 32,01,20,934          | 43,76,37,593         | 39,11,93,785         | 1,56,72,62,589        | 1,41,21,16,233        |
| Other Income  | 25    | 37,76,853             | 3,25,943             | 6,74,610             | 1,39,24,392           | 30,77,200             |
| <b>Total Revenue (I)</b>  |       | <b>32,38,97,787</b>   | <b>43,79,63,536</b>  | <b>39,18,68,395</b>  | <b>1,58,11,86,981</b> | <b>1,41,51,93,433</b> |
| <b>EXPENSES</b>   |       |                       |                      |                      |                       |                       |
| <b>Cost of Goods Sold</b>   |       |                       |                      |                      |                       |                       |
| Cost of Raw Material Consumed   | 26    | 6,51,61,621           | 8,81,54,243          | 7,58,62,480          | 37,13,19,998          | 35,12,03,520          |
| Purchase of Traded Goods  | 26    | 15,54,97,280          | 27,81,80,217         | 22,55,47,502         | 97,25,83,105          | 81,38,05,980          |
| Changes in inventories of Finished Goods, Traded Goods and Semi Finished Goods              | 27    | 3,83,02,425           | (87,99,321)          | 1,65,91,022          | (4,03,08,674)         | (3,67,40,826)         |
| <b>Total Cost of Goods Sold</b>   |       | <b>25,89,61,326</b>   | <b>35,75,35,138</b>  | <b>31,80,01,004</b>  | <b>1,30,35,94,429</b> | <b>1,12,82,68,674</b> |
| Employee Benefits Expense   | 28    | 3,91,47,338           | 3,53,33,031          | 5,50,41,890          | 13,95,62,095          | 12,73,46,493          |
| Finance Costs   | 29    | 73,67,629             | 58,39,150            | 17,91,025            | 1,99,22,555           | 57,66,847             |
| Depreciation and Amortisation Expenses  | 30    | 83,23,103             | 82,65,166            | 48,73,558            | 2,86,62,301           | 1,72,09,238           |
| Other Expenses  | 31    | 4,61,48,914           | 5,48,78,827          | 4,73,45,686          | 19,41,84,859          | 15,51,14,542          |
| <b>Total Expenses (II)</b>  |       | <b>35,99,48,310</b>   | <b>46,18,51,312</b>  | <b>42,70,53,163</b>  | <b>1,68,59,26,240</b> | <b>1,43,37,05,793</b> |
| <b>Profit / (Loss) before Exceptional Items (I- Exceptional Items)</b>                      |       | <b>(3,60,50,523)</b>  | <b>(2,38,87,776)</b> | <b>(3,51,84,769)</b> | <b>(10,47,39,259)</b> | <b>(1,85,12,360)</b>  |
| <b>Profit / (Loss) before Tax</b>   |       | <b>(3,60,50,523)</b>  | <b>(2,38,87,776)</b> | <b>(3,51,84,769)</b> | <b>(10,47,39,259)</b> | <b>(1,85,12,360)</b>  |
| <b>Tax Expense</b>  |       |                       |                      |                      |                       |                       |
| Current Tax   |       | -                     | -                    | (13,75,001)          | -                     | -                     |
| (Excess)/Short provision for earlier years  |       | (9,419)               | -                    | -                    | (4,869)               | -                     |
| Deferred Tax Loss/(Income)  |       | (1,67,25,716)         | (67,77,899)          | (76,53,494)          | (2,65,21,348)         | (23,52,108)           |
| <b>Total Tax Expense</b>  |       | <b>(1,67,35,135)</b>  | <b>(67,77,899)</b>   | <b>(90,28,495)</b>   | <b>(2,65,26,217)</b>  | <b>(23,52,108)</b>    |
| <b>PROFIT/(LOSS) AFTER TAX</b>  |       | <b>(1,93,15,388)</b>  | <b>(1,71,09,877)</b> | <b>(2,61,56,274)</b> | <b>(7,82,13,042)</b>  | <b>(1,61,60,252)</b>  |
| <b>Earnings per equity share [nominal value of share Rs.10/- (Previous Year: Rs. 10/-)]</b> | 32    | <b>(50.55)</b>        | <b>(68.45)</b>       | <b>(68.45)</b>       | <b>(204.68)</b>       | <b>(42.29)</b>        |

Summary of Significant Accounting Policies
 1

\*The figure for the year ended are the audited figures

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

For **DIWAN GOSALIA & ASSOCIATES,**  
 Chartered Accountants.

Firm Registration No.: 111881W

KALPESH GOSALIA  
 Partner.  
 Membership No.113582  
 Mumbai,  
 Date:

12 MAY 2023



Sanjay Raghuraman  
 Director  
 DIN: 06539868  
 Date

Rupesh Babulal Jain  
 Director  
 DIN: 05285555  
 Date



**ENOVATE LIFESTYLES PRIVATE LIMITED**  
CIN: U74900MH2010PTC211692  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2023**

|           |  | Year Ended<br>31st March,<br>2023 | Year Ended<br>31st March,<br>2022 |
|-----------|--|-----------------------------------|-----------------------------------|
| <b>A.</b> | <b>Cash flow from operating activities:</b>  |                                   |                                   |
|           | Net (loss)/profit before tax but after exceptional/extraordinary items                             | (10,47,39,259)                    | (1,85,12,360)                     |
|           | Adjustments for:   |                                   |                                   |
|           | Depreciation and Amortisation Expenses   | 2,86,62,301                       | 1,72,09,238                       |
|           | Financial Cost   | 1,99,22,555                       | 57,66,847                         |
|           | Interest Income  | (14,01,898)                       | (11,01,062)                       |
|           | Customer Credit balance Written off  | (1,12,38,801)                     | -                                 |
|           | Loss on Sale of Fixed Assets   | 6,769                             | 21,019                            |
|           | <b>Operating profit before working capital changes</b>   | <b>(6,87,88,332)</b>              | <b>33,83,681</b>                  |
|           | <b>Adjustments for changes in working capital :</b>  |                                   |                                   |
|           | - (INCREASE)/DECREASE in Trade Receivables   | (69,39,830)                       | (5,43,59,966)                     |
|           | - (INCREASE)/DECREASE in Inventories   | (4,52,82,942)                     | (6,69,38,914)                     |
|           | - INCREASE/(DECREASE) in Trade Payables  | (48,38,550)                       | 47,01,944                         |
|           | - INCREASE/(DECREASE) in Other Current Liabilities   | (11,44,835)                       | 5,43,22,106                       |
|           | - INCREASE/(DECREASE) in Other Financial Liabilities   | -                                 | (59,93,326)                       |
|           | -(INCREASE)/DECREASE in Other Financial Assets   | (54,83,815)                       | (10,19,700)                       |
|           | -(INCREASE)/DECREASE in Other Current Assets   | (2,78,27,814)                     | (2,76,14,423)                     |
|           | -(INCREASE)/(DECREASE) in Provisions   | 41,67,926                         | 21,34,907                         |
|           | <b>Cash Generated from Operations</b>  | <b>(15,61,38,192)</b>             | <b>(9,13,83,691)</b>              |
|           | Less: Income Tax Paid  | (60,93,762)                       | (57,13,288)                       |
|           | Add: Income Tax Amount received  | 49,37,686                         | -                                 |
|           | <b>Net cash flow from operating activities</b>   | <b>(15,72,94,269)</b>             | <b>(9,70,96,979)</b>              |
| <b>B.</b> | <b>Cash flow from Investing activities:</b>  |                                   |                                   |
|           | Capital Expenditure incurred for purchase of Property Plant and Equipment                          | (3,38,49,163)                     | (3,18,27,823)                     |
|           | Proceed from Sale of Fixed Assets  | 20,000                            | 5,26,649                          |
|           | Investment in Mutual Fund  | (3,75,00,000)                     | (60,00,000)                       |
|           | Interest Income  | 12,39,261                         | 11,01,062                         |
|           | <b>Net cash used in investing activities</b>   | <b>(7,00,89,902)</b>              | <b>(3,62,00,112)</b>              |
| <b>C.</b> | <b>Cash flow from financing activities:</b>  |                                   |                                   |
|           | Interest Paid  | (94,49,014)                       | (39,75,822)                       |
|           | Proceeds from Issue of Equity  | -                                 | 1,51,21,120                       |
|           | (PY : Issue of Partly Paid up Equity Share Capital of Rs.328720 with Share Premium of Rs.14792400) | -                                 | -                                 |
|           | Proceeds from Deemed Equity Component of Compounding Financial Instruments (Preference Shares)     | -                                 | 12,74,66,997                      |
|           | Payment towards Lease Liability  | (77,16,315)                       | -                                 |
|           | Proceeds from Long Term and Short Term Borrowing (Net)   | 22,59,97,879                      | 1,89,05,002                       |
|           | <b>Net cash used in financing activities</b>   | <b>20,88,32,550</b>               | <b>15,75,17,297</b>               |
|           | <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>                                      | <b>(1,85,51,621)</b>              | <b>2,42,20,206</b>                |
|           | <b>Opening Cash and cash equivalents</b>   | <b>5,75,08,854</b>                | <b>3,32,88,649</b>                |
|           | <b>Closing Cash and cash equivalents</b>   | <b>3,89,57,233</b>                | <b>5,75,08,854</b>                |
|           | <b>Cash and cash equivalents comprise</b>  |                                   |                                   |
|           | Cash, Cheques & Drafts (in hand) and Remittances in transit  | 1,38,282                          | 1,16,824                          |
|           | Balance with Scheduled Banks (Including Deposits)  | 3,88,18,951                       | 5,73,92,030                       |
|           | <b>Closing Cash and Cash Equivalents.</b>  | <b>3,89,57,233</b>                | <b>5,75,08,854</b>                |

**Notes :**1 The above Cash flow statement has been prepared under the indirect method setout in AS-3 issued by the Institute of Chartered Accountants of India.  
2 Figures in brackets indicate cash outgo.  
3 Figures of previous year are regroup wherever necessary.  
4 The above Cash Flow Statement has been compiled from and is based on the audited accounts of ENOVATE LIFESTYLES PRIVATE LIMITED. for the period ended 31st March 2023 reported upon by us.

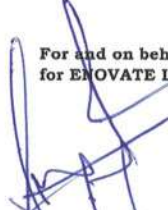
For **DIWAN GOSALIA & ASSOCIATES,**  
Chartered Accountants.  
Firm Registration No.: 111881W

  
**KALPESH GOSALIA**  
Partner.  
Membership No.113582  
Mumbai,  
Date:



12 MAY 2023

For and on behalf of the Board of Directors  
for **ENOVATE LIFESTYLES PRIVATE LIMITED**

  
**Sanjay Raghuraman**  
Director  
DIN: 06539868

  
**Rupesh Babulal Jain**  
Director  
DIN: 05285555





ENOVATE LIFESTYLES PRIVATE LIMITED  
CIN: U74900MH2010PTC211692  
STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31ST MARCH 2023

A. EQUITY SHARE CAPITAL

| Balance as at 1st April 2022 | Changes in Equity Share Capital due to Prior Period Errors | Restate balance at the beginning of the current year | Changes in equity share capital during the year | Balance as at 31st March 2023 |
|------------------------------|--|--|---|-------------------------------|
| 38,21,300                    | -  | 38,21,300  | -   | 38,21,300                     |


| Balance as at 1st April 2021 | Changes in Equity Share Capital due to Prior Period Errors | Restate balance at the beginning of the previous year | Changes in equity share capital during the previous year | Balance as at 31st March 2022 |
|------------------------------|--|---|--|-------------------------------|
| 34,92,580                    | -  | 34,92,580   | 3,28,720   | 38,21,300                     |

B. OTHER EQUITY

| Particulars                                     | Equity component of compound financial instruments | Reserves and Surplus |                   | Total         |
|---|--|----------------------|-------------------|---------------|
|   |  | Securities Premium   | Retained Earnings |               |
| Balance as at 1st April 2022                    | 12,74,66,997                                       | 16,46,90,243         | (10,02,65,538)    | 19,18,91,702  |
| Total Comprehensive Income for the current year | -  | -                    | (7,82,13,042)     | (7,82,13,042) |
| Balance as at 31st March 2023                   | 12,74,66,997                                       | 16,46,90,243         | (17,84,78,580)    | 11,36,78,660  |

| Particulars                                     | Equity component of compound financial instruments | Reserves and Surplus |                   | Total        |
|---|--|----------------------|-------------------|--------------|
|   |  | Securities Premium   | Retained Earnings |              |
| Balance as at 1st April 2021                    | -  | 14,98,97,843         | (8,41,05,286)     | 6,57,92,557  |
| Total Comprehensive Income for the current year | 12,74,66,997                                       | 1,47,92,400          | (1,61,60,252)     | 12,60,99,145 |
| Balance as at 31st March 2022                   | 12,74,66,997                                       | 16,46,90,243         | (10,02,65,538)    | 19,18,91,702 |

For DIWAN GOSALIA & ASSOCIATES,  
Chartered Accountants.  
Firm Registration No.: 111881W

  
KALPESH GOSALIA  
Partner.  
Membership No.113582  
Mumbai,  
Date:



12 MAY 2023

For and on behalf of the Board of Directors  
for ENOVATE LIFESTYLES PRIVATE LIMITED

  
Sanjay Raghuraman  
Director  
DIN: 06539868  
Date:

  
Rupesh Babulal Jain  
Director  
DIN: 05285555  
Date:



**ENOVATE LIFESTYLES PRIVATE LIMITED**  
**CIN: U74900MH2010PTC211692**  
**NOTES TO FINANCIAL STATEMENTS**

**1. A. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Background of the Company :**

Enovate Lifestyles Private Limited ('the Company') is a private limited company domiciled & headquartered in India. It is incorporated under the Companies Act, 1956. The company is the subsidiary of Kalyan Jewellers India Limited. The Company is involved in manufacturing and sale of Gold & Diamond Jewellery and accessories through e-commerce platform.

**(b) Basis of Preparation:**

The financial statements of the Company comply with all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

The financial statements have been prepared under the historical cost convention on an accrual basis for the year.

**(c) Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**(d) Property, Plant & Equipment :**

Property, plant and equipment are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation/amortisation and impairment loss.

Depreciation is provided on straight line method over the estimated useful life as determined by management which is in line with that prescribed under Schedule II of the Act. Depreciation is provided on a pro-rata basis i.e. from the month on which asset is ready for use. The useful lives are reviewed by the management at each financial year-end and revised, if appropriate.

**(e) Intangible Assets**

Intangible assets comprises of website development, digital content & website infomedia and are stated at cost of acquisition less accumulated amortization/impairment loss. The assets are amortized on a straight line basis, over a period of 3 years.

**(f) Inventories:**

Inventories which comprise of raw materials , traded goods, finished goods, semi finished goods and packing materials are carried at cost or Market Value whichever is lower

In determining the cost, actual cost is used.

**(h) Foreign Currency Transactions :**

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.

**(i) Revenue recognition**

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognised as revenue is exclusive of goods and services tax (GST), and is net of returns, trade discounts and quantity discounts.

**(j) Employee benefits**

**Provident Fund Scheme**

The Company makes specified monthly contribution along with employees contribution towards Employee Provident Fund scheme.

**Gratuity Scheme**

The Company's gratuity benefit scheme is defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods ; that benefit is discounted to determine its present value. The calculation of the Company's obligation under plan is performed annually by a qualified independent.

**(k) Fair Value measurement**

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.





**ENOVATE LIFESTYLES PRIVATE LIMITED**  
**CIN: U74900MH2010PTC211692**  
**NOTES TO FINANCIAL STATEMENTS**

**(l) Provisions and contingent Liabilities**

The Company recognises a provision when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

**(m) Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(n) Cash and Cash Equivalents**

Cash comprises cash on hand and balances with banks in Current Accounts. Cash equivalents are short term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**(n) Income Taxes**

Income tax comprises of current tax and deferred tax.

**Current Tax**

Current Tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amount and where it intends either to settle on a net basis or to realise the asset and liability simultaneously. Significant judgments 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/recorded for uncertain tax position.

**Deferred Tax**

Deferred tax is recognized in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. The company assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, it considers whether tax law restricts the source of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Deferred tax assets are reviewed at each reporting date to reassess realization. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

**(o) Financial Instrument**

As per Ind AS 32,

A financial instrument is an equity instrument rather than a financial liability if, and only if,

a) the instrument includes no contractual obligation:

- i) to deliver cash or another financial asset to another entity; or
- ii) to exchange financial instruments under unfavourable conditions.

b) if it will be settled in the issuer's own equity instruments:

- i) a non derivative without a contractual obligation to deliver a variable number of shares;
- ii) a derivative that will be settled by exchanging a fixed amount of cash or another financial asset for a fixed number shares.

Since both the above conditions are not met, the preference share is financial liability/financial asset.

Accounting treatment and disclosure as per IND AS 109

According to Ind AS 109, a long-term loan or receivable that carries no interest should be recognised at fair value measured as the present value of all future cash receipts discounted using the prevailing market rate of interest for similar instrument (currency, term, debt instrument etc.) with a similar credit rating. Any amount lent/borrowed exceeding the fair value of the loan should be accounted for according to its substance under other applicable Ind AS (Para B5.1.1). The difference between the fair value of such loan and the proceeds should be recognised as an increase in an investment in subsidiary (in separate financial statements of the parent) and an equity contribution (in separate financial statements of the subsidiary).

**p Note on Lease**

The company has recognized a right-of-use assets and a lease liability for the lease contracts entered into on or after 1st April 2022. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.



ENOVATE LIFESTYLES PRIVATE LIMITED  
CIN: U74900MH2010PTC211692  
NOTES TO FINANCIAL STATEMENTS

**B Going Concern**

The Company's networth is negative and it continue to incur losses this casts a significant uncertainty on the Company's ability to continue as a going concern. The Company is in the process of expanding its presence offline stores significantly in the next two to three years, which in the opinion of the management will enable the Company to have profitability and to have a turnaround in near future. The Company has opened up two offline stores in the last financial year and the stores are performing well in terms of sales. Also The Company has received a letter of financial support from the holding Company to provide financial assistance as and when required for ongoing business and future business activity. The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the Company will continue to receive the support of its holding company and that the realisation of the assets and settlement of liabilities will occur in the ordinary course of business.

**C Corporate Gurantee**

The company has given corporate gurantee given to M/sTata Capital Financial Services Limited on behalf of M/s Kalayan Jewellers Limited for the repayment of the loan amount availed by M/s Kalayan Jewellers Limited Rs 1500 Million to the extent of the amount invested Rs 37.5 Million mentioned in the Note 5 of the Financial Statement.





ENOVATE LIFESTYLES PRIVATE LIMITED  
CIN: U74900MH2010PTC211692  
NOTES TO FINANCIAL STATEMENTS

2. PROPERTY, PLANT & EQUIPMENT : As at 31/03/2023

| Sr. No. | Description of Assets               | GROSS BLOCK (AT COST)           |                                       |  |                                 | DEPRECIATION                    |                                   |                                      |                                 | NET BLOCK                       |                                  |
|---------|-------------------------------------|---------------------------------|---------------------------------------|--|---------------------------------|---------------------------------|-----------------------------------|--------------------------------------|---------------------------------|---------------------------------|----------------------------------|
|         |                                     | I                               | II                                    | III                                    | IV                              | V                               | VI                                | VII                                  | VIII                            | IX                              | X                                |
|         |                                     | As at 1st April, 2022<br>Rupees | Additions during the Period<br>Rupees | Deductions during the Period<br>Rupees | As at 31st March 2023<br>Rupees | As at 1st April, 2022<br>Rupees | Deductions/ Adjustments<br>Rupees | Provided during the Period<br>Rupees | As at 31st March 2023<br>Rupees | As at 31st March 2023<br>Rupees | As at 31st March, 2022<br>Rupees |
| 1       | Tangible Assets :<br>Computer       | 1,21,11,469                     | 19,34,723                             | -                                      | 1,40,46,192                     | 51,01,175                       | -                                 | 33,41,131                            | 84,42,306                       | 56,03,886                       | 70,10,294                        |
| 2       | Office Equipments                   | 42,85,323                       | 32,37,355                             | -                                      | 75,22,678                       | 17,99,654                       | -                                 | 9,13,373                             | 27,13,027                       | 48,09,651                       | 24,85,670                        |
| 3       | Furniture and fixtures              | 39,23,304                       | 45,67,332                             | -                                      | 84,90,636                       | 12,78,363                       | -                                 | 7,23,611                             | 20,01,974                       | 64,88,662                       | 26,44,941                        |
| 4       | Plant & Machinery                   | 42,96,486                       | 3,86,069                              | 29,896                                 | 46,52,659                       | 8,32,883                        | 3,127                             | 2,99,042                             | 11,28,798                       | 35,23,861                       | 34,63,603                        |
| 5       | Electric Installation               | 8,92,119                        | 14,65,907                             | -                                      | 23,58,026                       | 1,45,374                        | -                                 | 1,66,375                             | 3,11,749                        | 20,46,277                       | 7,46,745                         |
| 6       | Leasehold Improvements              | 12,92,379                       | 65,80,430                             | -                                      | 78,72,809                       | 2,36,618                        | -                                 | 7,69,209                             | 10,05,827                       | 68,66,982                       | 10,55,761                        |
| 7       | Vehicles                            | 1,98,200                        | -                                     | -                                      | 1,98,200                        | 16,515                          | -                                 | 39,640                               | 56,155                          | 1,42,045                        | 1,81,685                         |
|         | Total of Tangible Assets            | 2,69,99,280                     | 1,81,71,815                           | 29,896                                 | 4,51,41,200                     | 94,10,581                       | 3,127                             | 62,52,381                            | 1,56,59,835                     | 2,94,81,364                     | 1,75,88,699                      |
| 1       | Intangible Assets :<br>Website      | 3,51,88,818                     | 90,16,968                             | -                                      | 4,42,05,787                     | 1,66,50,004                     | -                                 | 1,26,32,453                          | 2,92,82,457                     | 1,49,23,330                     | 1,85,38,815                      |
| 2       | Digital Content & Website Infomedia | 1,53,40,302                     | 25,54,226                             | -                                      | 1,78,94,528                     | 93,85,802                       | -                                 | 28,05,578                            | 1,21,91,380                     | 57,03,147                       | 59,54,500                        |
|         | Total of Intangible Assets          | 5,05,29,120                     | 1,15,71,194                           | -                                      | 6,21,00,315                     | 2,60,35,806                     | -                                 | 1,54,38,032                          | 4,14,73,838                     | 2,06,26,477                     | 2,44,93,314                      |
|         | TOTAL                               | 7,75,28,400                     | 2,97,43,010                           | 29,896                                 | 10,72,41,514                    | 3,54,46,387                     | 3,127                             | 2,16,90,412                          | 5,71,33,673                     | 5,01,07,841                     | 4,20,82,013                      |
|         | PREVIOUS YEAR : 31st March 2022     | 483,86,162                      | 296,89,906                            | 5,47,668                               | 775,28,400                      | 182,37,153                      | 22,115                            | 172,31,352                           | 354,46,387                      | 420,82,013                      |                                  |

3. CAPITAL WORK IN PROGRESS As at 31/03/2023

| Sr. No. | Description of Assets           | GROSS BLOCK (AT COST)           |                                       |  |                                 | DEPRECIATION                    |                                   |                                      |                                 | NET BLOCK                        |                                  |
|---------|---------------------------------|---------------------------------|---------------------------------------|--|---------------------------------|---------------------------------|-----------------------------------|--------------------------------------|---------------------------------|----------------------------------|----------------------------------|
|         |                                 | I                               | II                                    | III                                    | IV                              | V                               | VI                                | VII                                  | VIII                            | IX                               | X                                |
|         |                                 | As at 1st April, 2022<br>Rupees | Additions during the Period<br>Rupees | Deductions during the Period<br>Rupees | As at 31st March 2023<br>Rupees | As at 1st April, 2022<br>Rupees | Deductions/ Adjustments<br>Rupees | Provided during the Period<br>Rupees | As at 31st March 2023<br>Rupees | As at 31st March, 2023<br>Rupees | As at 31st March, 2022<br>Rupees |
| 1       | Capital Work in Progress        | 24,10,465                       | 1,22,14,227                           | 81,08,074                              | 65,16,618                       | -                               | -                                 | -                                    | -                               | 65,16,618                        | 24,10,465                        |
|         | TOTAL                           | 24,10,465                       | 1,22,14,227                           | 81,08,074                              | 65,16,618                       | -                               | -                                 | -                                    | -                               | 65,16,618                        | 24,10,465                        |
|         | PREVIOUS YEAR : 31st March 2022 | 2,72,548                        | 24,10,464                             | 2,72,547                               | 24,10,465                       | -                               | -                                 | -                                    | -                               | 24,10,465                        |                                  |





2. PROPERTY, PLANT & EQUIPMENT : As at 31/03/2022

| Sr. No. | Description of Assets      | GROSS BLOCK (AT COST)           |                                     |                                      | DEPRECIATION                     |                                 |                                   |                                    |                                  | NET BLOCK                        |  |
|---------|----------------------------|---------------------------------|-------------------------------------|--------------------------------------|----------------------------------|---------------------------------|-----------------------------------|------------------------------------|----------------------------------|----------------------------------|--|
|         |                            | I                               | II                                  | III                                  | IV                               | V                               | VI                                | VII                                | VIII                             | IX                               |  |
|         |                            | As at 1st April, 2021<br>Rupees | Additions during the Year<br>Rupees | Deductions during the Year<br>Rupees | As at 31st March, 2022<br>Rupees | As at 1st April, 2021<br>Rupees | Deductions/ Adjustments<br>Rupees | Provided during the Year<br>Rupees | As at 31st March, 2022<br>Rupees | As at 31st March, 2022<br>Rupees |  |
|         | <u>Tangible Assets :</u>   |                                 |                                     |                                      |                                  |                                 |                                   |                                    |                                  |                                  |  |
| 1       | Computer                   | 47,24,189                       | 74,71,952                           | 84,672                               | 1,21,11,469                      | 30,42,579                       | 13,357                            | 20,71,953                          | 51,01,175                        | 70,10,294                        |  |
| 2       | Office Equipments          | 23,94,282                       | 22,49,838                           | 3,58,796                             | 42,85,323                        | 13,00,359                       | 5,980                             | 5,05,275                           | 17,99,654                        | 24,85,670                        |  |
| 3       | Furniture and fixtures     | 25,88,585                       | 13,34,719                           | -                                    | 39,23,304                        | 9,32,203                        | -                                 | 3,46,160                           | 12,78,363                        | 26,44,941                        |  |
| 4       | Plant & Machinery          | 37,68,756                       | 5,27,730                            | -                                    | 42,96,486                        | 5,66,993                        | -                                 | 2,65,890                           | 8,32,883                         | 34,63,603                        |  |
| 5       | Electric Installation      | 2,22,462                        | 6,69,657                            | -                                    | 8,92,119                         | 84,783                          | -                                 | 60,592                             | 1,45,374                         | 7,46,745                         |  |
| 6       | Leasehold Improvements     | 6,41,415                        | 6,50,964                            | -                                    | 12,92,379                        | 10,690                          | -                                 | 2,25,928                           | 2,36,618                         | 10,55,761                        |  |
| 7       | Vehicles                   | -                               | 2,02,400                            | 4,200                                | 1,98,200                         | -                               | -                                 | 16,515                             | 16,515                           | 1,81,685                         |  |
|         | Total of Tangible Assets   | 1,43,39,688                     | 1,31,07,260                         | 4,47,668                             | 2,69,99,280                      | 59,37,607                       | 19,337                            | 34,92,311                          | 94,10,581                        | 1,75,88,699                      |  |
|         | <u>Intangible Assets :</u> |                                 |                                     |                                      |                                  |                                 |                                   |                                    |                                  |                                  |  |
| 1       | Website                    | 2,13,48,272                     | 1,38,40,546                         |                                      | 3,51,88,818                      | 64,86,088                       | -                                 | 1,01,63,916                        | 1,66,50,004                      | 1,85,38,815                      |  |
| 2       | Brand                      | 1,26,98,202                     | 27,42,100                           | 1,00,000                             | 1,53,40,302                      | 58,13,458                       | 2,778                             | 35,75,122                          | 93,85,802                        | 59,54,500                        |  |
|         | Total of Intangible Assets | 3,40,46,474                     | 1,65,82,646                         | 1,00,000                             | 5,05,29,120                      | 1,22,99,545                     | 2,778                             | 1,37,39,041                        | 2,60,35,806                      | 2,44,93,314                      |  |
|         | TOTAL                      | 4,83,86,162                     | 2,96,89,906                         | 5,47,668                             | 7,75,28,400                      | 1,82,37,153                     | 22,115                            | 1,72,31,353                        | 3,54,46,387                      | 4,20,82,013                      |  |

3. CAPITAL WORK IN PROGRESS

| Sr. No. | Description of Assets    | GROSS BLOCK (AT COST)           |                                     |                                      | DEPRECIATION                     |                                 |                                   |                                    |                                  | NET BLOCK                        |  |
|---------|--------------------------|---------------------------------|-------------------------------------|--------------------------------------|----------------------------------|---------------------------------|-----------------------------------|------------------------------------|----------------------------------|----------------------------------|--|
|         |                          | I                               | II                                  | III                                  | IV                               | V                               | VI                                | VII                                | VIII                             | IX                               |  |
|         |                          | As at 1st April, 2021<br>Rupees | Additions during the Year<br>Rupees | Deductions during the Year<br>Rupees | As at 31st March, 2022<br>Rupees | As at 1st April, 2021<br>Rupees | Deductions/ Adjustments<br>Rupees | Provided during the Year<br>Rupees | As at 31st March, 2022<br>Rupees | As at 31st March, 2022<br>Rupees |  |
| 1       | Capital Work in Progress | 2,72,548                        | 24,10,464                           | 2,72,547                             | 24,10,465                        | -                               | -                                 | -                                  | -                                | 24,10,465                        |  |
|         | TOTAL                    | 2,72,548                        | 24,10,464                           | 2,72,547                             | 24,10,465                        | -                               | -                                 | -                                  | -                                | 24,10,465                        |  |



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3A. Ageing of Capital Work In Progress

A) projects in progress

| Particulars                     | As At<br>31st March,<br>2023<br>Rupees | As At<br>31st March,<br>2022<br>Rupees |
|---------------------------------|--|--|
| <b>Capital Work In Progress</b> |  |  |
| Less than 1 Year                | 65,16,616                              | 24,10,465                              |
| > 1 year & Less than 2 Year     |  | -                                      |
| > 2 year & Less than 3 Year     |  | -                                      |
| More Than 3 Years               |  | -                                      |
| <b>Total</b>                    | <b>65,16,616</b>                       | <b>24,10,465</b>                       |

4. Right of Use Assets :

|  | As At<br>31st March,<br>2023<br>Rupees | As At<br>31st March,<br>2022<br>Rupees |
|--|--|--|
| Right-of-use assets (ROU) at the beginning of the period as per Ind AS 116 |  | -                                      |
| Add: Addition During the period on account of new leases                   | 5,14,90,643                            | -                                      |
| Less: Amortised during the period  | (69,71,889)                            | -                                      |
| <b>Closing Balance</b>   | <b>4,45,18,754</b>                     | <b>-</b>                               |

Note: The company has recognized a right-of-use assets and a lease liability from 1st April 2022 for the lease contracts entered into on or after 1st April 2022

5. Investments :

|  | As At<br>31st March,<br>2023<br>Rupees | As At<br>31st March,<br>2022<br>Rupees |
|--|--|--|
| <b>Investments in Mutual Funds - Quoted</b>  |  |  |
| HDFC Liquid Growth Fund<br>(Units as on 31/03/2023 : 1472.616 having market value Rs 64,58,325 )   | 60,00,000                              | 60,00,000                              |
| <br>IDFC Mutual Fund Investment<br>(Units as on 31/03/2023 : 786486.95 having market value Rs 3,78,87,829)<br>The above investment is having 100% lien for the corporate guarantee given by the company to M/s Tata Capital Financial Services Limited for the repayment of the loan amount of Rs.150,00,00,000/- availed and or to be availed in future by M/s Kalayan Jewellers Limited from M/s Tata Capital Financial Services Limited to the extent of Rs 3,75,00,000/- | <br>3,75,00,000                        |  |
| <b>Total</b>   | <b>4,35,00,000</b>                     | <b>60,00,000</b>                       |

6. Other Financial Asset

|  | As At<br>31st March,<br>2023<br>Rupees | As At<br>31st March,<br>2022<br>Rupees |
|--|--|--|
| Security Deposit   | -                                      | -                                      |
| Earmarked deposits with remaining maturity period greater than 12 months (As per Ind AS 116) | 62,16,452                              | -                                      |
|  | <b>62,16,452</b>                       | <b>-</b>                               |

7. Inventories (valued at lower of cost and net realisable value) :

|                     | As At<br>31st March,<br>2023<br>Rupees | As At<br>31st March,<br>2022<br>Rupees |
|---------------------|--|--|
| Raw Materials       | 3,24,98,632                            | 2,79,25,271                            |
| Packing Material    | 52,24,016                              | 48,23,108                              |
| Semi-Finished Goods | 2,17,84,192                            | 3,59,85,039                            |
| Finished Goods      | 9,45,82,635                            | 4,89,74,214                            |
| Traded Goods        | 6,29,07,410                            | 5,40,06,310                            |
| <b>Total</b>        | <b>21,69,96,885</b>                    | <b>17,17,13,942</b>                    |



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(Rupees)

| 8. Trade Receivables :                             | As At              |                    |                  |                 |                   |                    |
|--|--------------------|--------------------|------------------|-----------------|-------------------|--------------------|
|  | 31st March, 2023   |                    |                  |                 |                   |                    |
|  | < 6 Months         | 6m to 1 year       | 1-2 years        | 2-3 years       | More than 3 years | Total              |
| Undisputed Trade receivables – considered good     | 7,80,43,120        | 1,69,00,049        | 20,66,822        | 3,28,182        | -                 | 9,73,38,174        |
| Undisputed Trade Receivables – considered doubtful | -                  | -                  | -                | -               | -                 | -                  |
| Disputed Trade Receivables considered good         | -                  | -                  | -                | -               | -                 | -                  |
| Disputed Trade Receivables considered doubtful     | -                  | -                  | -                | -               | -                 | -                  |
| Less: Provision for doubtful debts                 |                    |                    |                  |                 |                   |                    |
| <b>Net Trade Receivables- Debit Balances</b>       | <b>7,80,43,120</b> | <b>1,69,00,049</b> | <b>20,66,822</b> | <b>3,28,182</b> | <b>-</b>          | <b>9,73,38,174</b> |

(Rupees)

| 8. Trade Receivables :                             | As At              |                  |                 |                 |                   |                    |
|--|--------------------|------------------|-----------------|-----------------|-------------------|--------------------|
|  | 31st March, 2022   |                  |                 |                 |                   |                    |
|  | < 6 Months         | 6 months -1 year | 1-2 years       | 2-3 years       | More than 3 years | Total              |
| Undisputed Trade receivables – considered good     | 7,68,82,965        | 13,47,640        | 7,70,621        | 1,15,548        | 42,768            | 7,91,59,543        |
| Undisputed Trade Receivables – considered doubtful | -                  | -                | -               | -               | -                 | -                  |
| Disputed Trade Receivables considered good         | -                  | -                | -               | -               | -                 | -                  |
| Disputed Trade Receivables considered doubtful     | -                  | -                | -               | -               | -                 | -                  |
| Less: Provision for doubtful debts                 | -                  | -                | -               | -               | -                 | -                  |
| <b>Net Trade Receivables- Debit Balances</b>       | <b>7,68,82,965</b> | <b>13,47,640</b> | <b>7,70,621</b> | <b>1,15,548</b> | <b>42,768</b>     | <b>7,91,59,543</b> |





**ENOVATE LIFESTYLES PRIVATE LIMITED**  
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**NOTES TO FINANCIAL STATEMENTS**

**9. Cash and Bank Balances :**

|                                   | As At<br>31st March,<br>2023 | As At<br>31st March,<br>2022 |
|-----------------------------------|------------------------------|------------------------------|
|                                   | Rupees                       | Rupees                       |
| <b>Cash and Cash Equivalents</b>  |                              |                              |
| Cash on hand                      | 1,38,282                     | 1,16,824                     |
| <b>Balances with Banks:</b>       |                              |                              |
| Bank Balances In Current Accounts | 1,78,18,951                  | 2,84,92,030                  |
| <b>Other Balances with Banks:</b> |                              |                              |
| Short Term Bank Deposits          | 2,10,00,000                  | 2,89,00,000                  |
| <b>Total</b>                      | <b>3,89,57,233</b>           | <b>5,75,08,854</b>           |

**10. Other Financial Assets**

|                               | As At<br>31st March,<br>2023 | As At<br>31st March,<br>2022 |
|-------------------------------|------------------------------|------------------------------|
|                               | Rupees                       | Rupees                       |
| <b>Security Deposits</b>      |                              |                              |
| Unsecured and Considered Good | 18,39,700                    | 24,09,700                    |
| <b>Total</b>                  | <b>18,39,700</b>             | <b>24,09,700</b>             |

**11. Other Current Assets :**

|                             | As At<br>31st March,<br>2023 | As At<br>31st March,<br>2022 |
|-----------------------------|------------------------------|------------------------------|
|                             | Rupees                       | Rupees                       |
| Prepaid Expenses            | 59,03,314                    | 40,02,905                    |
| GST Receivable              | 5,67,48,090                  | 2,77,60,361                  |
| TCS Receivable              | 12,18,800                    | 29,54,539                    |
| Other Receivable            | 15,26,644                    | 28,51,230                    |
| GST Refund Claim Receivable | 2,96,16,594                  | 2,96,16,594                  |
| <b>Total</b>                | <b>9,50,13,443</b>           | <b>6,71,85,629</b>           |



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12. Share Capital:

|   | As At<br>31st March,<br>2023 | As At<br>31st March,<br>2022 |
|---|------------------------------|------------------------------|
|   | Rupees                       | Rupees                       |
| Authorised Share Capital                                  |                              |                              |
| Equity Share Capital                                      |                              |                              |
| 400,000 Equity Shares of Rs. 10 each                      | 40,00,000                    | 40,00,000                    |
|   | 40,00,000                    | 40,00,000                    |
| Issued, subscribed and fully paid-up Equity Share Capital |                              |                              |
| 3,82,130 Equity Shares of Rs.10 each Fully Paid Up        | 38,21,300                    | 38,21,300                    |
|   | 38,21,300                    | 38,21,300                    |

(a) Reconciliation of the Equity shares outstanding at the beginning and at the end of the Period

| Particulars  | As at 31st March, 2023 |           | As at 31st March, 2022 |           |
|--|------------------------|-----------|------------------------|-----------|
|  | Nos.                   | Rupees    | Nos.                   | Rupees    |
| Equity Shares  |                        |           |                        |           |
| At the beginning of the Period   |                        |           |                        |           |
| 3,82,130 Equity shares of Rs.10/- each fully paid up (Previous year : 349258 shares)                                       | 3,82,130               | 38,21,300 | 3,49,258               | 34,92,580 |
| Issued during the Year - Nil (Previous year- Equity share of Rs. 10 each at a premium of Rs.450 per share on rights basis) | -                      | -         | 32,872                 | 3,28,720  |
| At the end of the Period   |                        |           |                        |           |
| 3,82,130 Equity shares of Rs.10/- each fully paid up (Previous year 3,82,130) share fully paidup)                          | 3,82,130               | 38,21,300 | 3,82,130               | 38,21,300 |

Terms/ rights attached to Equity shares

As of 31st March, 2023 The Company has only one class of Equity Shares 3,82,130 Equity Shares of face value Rs.10 fully paid.

Each holder of fully paid equity share carries one vote and is entitled to dividend that may be recommended by the Board of Directors, which is subject to the approval of the shareholders in the Annual General Meeting. Partly paid up equity shares shall not carry any voting rights till the same are fully paid up as provided in the Articles of Association of Company.

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

(c) Details of shareholders holding more than 5% shares in the Company (as per the register of members of the Company)

| Name of the Equity Shareholder           | As at 31st March, 2023 |                           | As at 31st March, 2022 |                           |
|--|------------------------|---------------------------|------------------------|---------------------------|
|  | Nos. of<br>Shares      | % holding in<br>the class | Nos. of<br>Shares      | % holding<br>in the class |
| Equity shares of Rs.10/- each fully paid |                        |                           |                        |                           |
| Mr Rupesh Jain                           | 57,320                 | 15.00%                    | 57,320                 | 15.00%                    |
| Kalyan Jewellers India Ltd               | 3,24,810               | 85.00%                    | 3,24,810               | 85.00%                    |
| Total Shareholding of The Company        | 3,82,130               | 100.00%                   | 3,82,130               | 100.00%                   |

| Name of the Equity Shareholder                         | As at 31st March, 2023 |                           | As at 31st March, 2022 |                           |
|--|------------------------|---------------------------|------------------------|---------------------------|
|  | Nos. of<br>Shares      | % holding<br>in the class | Nos. of<br>Shares      | % holding<br>in the class |
| Equity shares of Rs.10/- each fully paid               |                        |                           |                        |                           |
| Name of The Promoter                                   |                        |                           |                        |                           |
| Mr Rupesh Jain   | 57,320                 | 15.00%                    | 24,448                 | 7%                        |
| Shares held at the begning of the Period               | 57,320                 | 15.00%                    | 57,320                 | 15.00%                    |
| Shares held at the End of the period                   | 57,320                 | 15.00%                    | 57,320                 | 15.00%                    |
| Change in Shareholding percentage over opening holding | 0.00%                  |                           | 134.46%                |                           |
| Total Shareholding of The Company                      | 3,82,130               |                           | 3,82,130               |                           |





**ENOVATE LIFESTYLES PRIVATE LIMITED**  
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**NOTES TO FINANCIAL STATEMENTS**

**13. Other Equity**

**A Share Premium (Equity Shares)**

|   | <b>As At<br/>31st March,<br/>2023<br/>Rupees</b> | <b>As At<br/>31st March,<br/>2022<br/>Rupees</b> |
|---|--|--|
| Balance at the beginning of the period  | <b>16,46,90,243</b>                              | 14,98,97,843                                     |
| Add : Nil (PY:Balance premium of Rs.450 per share on 32872 Equity Shares of Rs.10 each) |  | 1,47,92,400                                      |
| <b>Balance at the end of the period</b>   | <b>16,46,90,243</b>                              | <b>16,46,90,243</b>                              |

**B Investment By Holding Company**

|  | <b>As At<br/>31st March,<br/>2023<br/>Rupees</b> | <b>As At<br/>31st March,<br/>2022<br/>Rupees</b> |
|--|--|--|
| Balance at the beginning of the period   |  |  |
| Deemed Equity Component of Compounding Financial Instruments (Preference Shares) | <b>12,74,66,997</b>                              | 12,74,66,997                                     |
| <b>Balance at the end of the period</b>  | <b>12,74,66,997</b>                              | <b>12,74,66,997</b>                              |

Note 1: During the Previous Year, the company issued 9,39,985 0.1% Non-Cumulative Non -Participating Redeemable Preference shares of Rs.10 each per share at the premium of Rs 190 per share Fully Paid up. The preference shares are redeemable at a maximum rate of Rs.200 per share at the end of ten years from the date of allotment. Accordingly the Net Present value of the redemption amount is considered as borrowing and the difference between Issue Price and borrowing amount is considered as Other Equity in the Company.

**C Profit & Loss A/c**

|  | <b>As At<br/>31st March,<br/>2023<br/>Rupees</b> | <b>As At<br/>31st March,<br/>2022<br/>Rupees</b> |
|--|--|--|
| Balance at the beginning of the period | <b>(10,02,65,538)</b>                            | (8,41,05,286)                                    |
| Profit / (Loss) for the period         | <b>(7,82,13,042)</b>                             | (1,61,60,252)                                    |
|  | <b>(17,84,78,580)</b>                            | (10,02,65,538)                                   |
| <b>Other Equity (A + B + C)</b>        | <b>11,36,78,660</b>                              | <b>19,18,91,702</b>                              |



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14. Borrowings

|  | As At                         | As At                         |
|--|-------------------------------|-------------------------------|
|  | 31st March,<br>2023<br>Rupees | 31st March,<br>2022<br>Rupees |
| I Long-term Borrowing  |                               |                               |
| A Loan From Holding Company  | 21,75,00,000                  | -                             |
| Interest Payable on Maturity   | 84,97,879                     | -                             |
| B Preference Shares - Non Cumulative Non Participating Redeemable  | 6,05,30,003                   | 6,05,30,003                   |
| Add:-  |                               |                               |
| Provision for Interest Payable on Redemption   | 92,69,549                     | 17,91,024                     |
| Note 1: During the previous year, the company issued 9,39,985 0.1% Non-Cumulative Non -Participating Redeemable Preference shares of Rs.10 each per share at the premium of Rs 190 per share Fully Paid up. The preference shares are redeemable at a maximum rate of Rs.200 per share at the end of ten years from the issue date. Accordingly the Net Present Value of the redemption amount is considered as borrowing and the difference between the Issue Price and borrowing amount (Rs. 6,05,30,003/-) is considered as Deemed Other Equity in the Company and the same has been shown in Other Equity. The company has recognised notional interest expenditure at 11% p.a. to be provided on YOY basis to match the value of Borrowing component with the Redemption Value at the end of 10th year, i.e. the date of Redemption of Preference Shares. |                               |                               |
| Total  | 29,57,97,431                  | 6,23,21,027                   |

II Details of shareholders holding more than 5% shares in the Company (as per the register of members of the Company) are as

| Name of the Preference Shareholder   | As at 31st March, 2023 |                        | As at 31st March, 2022 |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | Nos. of Shares         | % holding in the class | Nos. of Shares         | % holding in the class |
| 0.1% Non-Cumulative Non -Participating Redeemable Preference shares of Rs. 10 each |                        |                        |                        |                        |
| Kalyan Jewellers India Ltd   | 9,39,985               | 100%                   | 9,39,985               | 100%                   |





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**15. Lease Liabilities :**

|   | As At<br>31st Mar,<br>2023<br>Rupees | As At<br>31st March,<br>2022<br>Rupees |
|---|--------------------------------------|--|
| Opening Balance   |                                      | -                                      |
| Add: Addition during the period on account of new lease | 5,14,90,643                          | -                                      |
| Add: Finance cost on lease liability                    | 29,95,016                            | -                                      |
| Less: Lease Rent Expense                                | (77,16,315)                          | -                                      |
| Less: Current portion of lease liability                | (89,31,265)                          | -                                      |
| <b>Closing Balance</b>                                  | <b>3,78,38,079</b>                   | <b>-</b>                               |

Note: The company has recognized a right-of-use assets and a lease liability from 1st April 2022 for the lease contracts entered into on or after 1st April 2022

**16. Provisions- Non Current :**

|                                    | As At<br>31st Mar,<br>2023<br>Rupees | As At<br>31st March,<br>2022<br>Rupees |
|------------------------------------|--------------------------------------|--|
| Provision for Gratuity-Non Current | 96,42,431                            | 64,51,269                              |
| <b>Total</b>                       | <b>96,42,431</b>                     | <b>64,51,269</b>                       |



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| 17. Trade Payables : ( Raw Material and Traded Goods) | As At<br>31st March, 2023 |           |           |                   |             |
|---|---------------------------|-----------|-----------|-------------------|-------------|
| PARTICULARS   | Less than 1 year          | 1-2 years | 2-3 years | More than 3 years | Total       |
| MSME  | -                         | -         | -         | -                 | -           |
| Others  | 3,51,98,287               | -         | -         | -                 | 3,51,98,287 |
| Disputed dues (MSMEs)                                 | -                         | -         | -         | -                 | -           |
| Disputed dues (Others)                                | -                         | -         | -         | -                 | -           |
| Total   | 3,51,98,287               | -         | -         | -                 | 3,51,98,287 |

| 17. Trade Payables : ( Others) | As At<br>31st March, 2023 |           |           |                   |             |
|--------------------------------|---------------------------|-----------|-----------|-------------------|-------------|
| PARTICULARS                    | Less than 1 year          | 1-2 years | 2-3 years | More than 3 years | Total       |
| MSME                           | 1,00,11,943               | -         | -         | -                 | 1,00,11,943 |
| Others                         | 2,03,56,783               | 5,08,890  | -         | -                 | 2,08,65,673 |
| Disputed dues (MSMEs)          | -                         | -         | -         | -                 | -           |
| Disputed dues (Others)         | -                         | -         | -         | -                 | -           |
| Total                          | 3,03,68,726               | 5,08,890  | -         | -                 | 3,08,77,616 |
| GRAND TOTAL                    | 6,55,67,013               | 5,08,890  | -         | -                 | 6,60,75,903 |

| 17. Trade Payables : ( Raw Material and Traded Goods) | As At<br>31st March, 2022 |           |           |                   |             |
|---|---------------------------|-----------|-----------|-------------------|-------------|
| PARTICULARS   | Less than 1 year          | 1-2 years | 2-3 years | More than 3 years | Total       |
| MSME  | -                         | -         | -         | -                 | -           |
| Others  | 3,79,07,758               | -         | -         | -                 | 3,79,07,758 |
| Disputed dues (MSMEs)                                 | -                         | -         | -         | -                 | -           |
| Disputed dues (Others)                                | -                         | -         | -         | -                 | -           |
| Total   | 3,79,07,758               | -         | -         | -                 | 3,79,07,758 |

| 17. Trade Payables : ( Others) | As At<br>31st March, 2022 |           |           |                   |             |
|--------------------------------|---------------------------|-----------|-----------|-------------------|-------------|
| PARTICULARS                    | Less than 1 year          | 1-2 years | 2-3 years | More than 3 years | Total       |
| MSME                           | 18,37,740                 | -         | -         | -                 | 18,37,740   |
| Others                         | 3,11,63,892               | -         | 5,061     | -                 | 3,11,68,953 |
| Disputed dues (MSMEs)          | -                         | -         | -         | -                 | -           |
| Disputed dues (Others)         | -                         | -         | -         | -                 | -           |
| Total                          | 3,30,01,632               | -         | 5,061     | -                 | 3,30,06,693 |
| GRAND TOTAL                    | 7,09,09,390               | -         | 5,061     | -                 | 7,09,14,451 |





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**18. Other Financial Liabilities - current:**

|                 | As At<br>31st Mar, 2023<br>Rupees | As At<br>31st March, 2022<br>Rupees |
|-----------------|-----------------------------------|-------------------------------------|
| Lease Liability | 89,31,265                         | -                                   |
| <b>Total</b>    | <b>89,31,265</b>                  | <b>-</b>                            |

**19. Other Current Liabilities :**

|                         | As At<br>31st Mar, 2023<br>Rupees | As At<br>31st March, 2022<br>Rupees |
|-------------------------|-----------------------------------|-------------------------------------|
| Advances from Customers | 10,40,81,490                      | 9,49,74,337                         |
| Statutory Liabilities   | 34,44,084                         | 1,36,96,071                         |
| <b>Total</b>            | <b>10,75,25,573</b>               | <b>10,86,70,408</b>                 |

**20. Provisions-Current :**

|                                      | As At<br>31st Mar, 2023<br>Rupees | As At<br>31st March, 2022<br>Rupees |
|--------------------------------------|-----------------------------------|-------------------------------------|
| Provision for Gratuity-Current       | 3,14,165                          | 2,27,401                            |
| Provision for Rate Difference (DGRP) | 8,90,000                          | -                                   |
| <b>Total</b>                         | <b>12,04,165</b>                  | <b>2,27,401</b>                     |

**21. Current tax liabilities (Net):**

|                  | As At<br>31st Mar, 2023<br>Rupees | As At<br>31st March, 2022<br>Rupees |
|------------------|-----------------------------------|-------------------------------------|
| Income Tax (Net) | -                                 | -                                   |
|                  | -                                 | -                                   |

**22. Current Tax Asset (Net)**

|                  | As At<br>31st Mar, 2023<br>Rupees | As At<br>31st March, 2022<br>Rupees |
|------------------|-----------------------------------|-------------------------------------|
| Income Tax (Net) | 60,93,762                         | 49,32,816                           |
|                  | <b>60,93,762</b>                  | <b>49,32,816</b>                    |

**23. Deferred Tax Assets**

|   | As At<br>31st Mar, 2023<br>Rupees | As At<br>31st March, 2022<br>Rupees |
|---|-----------------------------------|-------------------------------------|
| Employee Benefit Obligations                              | 28,98,525                         | 17,36,454                           |
| Property, Plant and Equipment                             | 28,91,010                         | 15,01,408                           |
| Time Difference on account of carry forward business loss | 3,16,26,410                       | 76,56,734                           |
|   | <b>3,74,15,945</b>                | <b>1,08,94,596</b>                  |



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| 24. Revenue from Operations :                     | For The Quarter Ended |                     |                     | For The Year Ended    |                       |
|---|-----------------------|---------------------|---------------------|-----------------------|-----------------------|
|   | 31st Mar, 2023        | 31st Dec, 2022      | 31st March, 2022    | 31st Mar, 2023        | 31st March, 2022      |
|   | Rupees                | Rupees              | Rupees              | Rupees                | Rupees                |
| <b>Revenue from Operations</b>                    |                       |                     |                     |                       |                       |
| Revenue from sale of goods                        | 31,89,53,851          | 43,62,32,339        | 38,91,75,999        | 1,56,16,80,569        | 1,40,47,86,221        |
| Other Operating Revenue                           | 11,67,083             | 14,05,254           | 20,17,786           | 55,82,020             | 73,30,011             |
| <b>Revenue from Operations</b>                    | <b>32,01,20,934</b>   | <b>43,76,37,593</b> | <b>39,11,93,785</b> | <b>1,56,72,62,589</b> | <b>1,41,21,16,233</b> |
| <b>25. Other Income :</b>                         |                       |                     |                     |                       |                       |
|   | 31st Mar, 2023        | 31st Dec, 2022      | 31st March, 2022    | 31st Mar, 2023        | 31st March, 2022      |
|   | Rupees                | Rupees              | Rupees              | Rupees                | Rupees                |
| Interest Income                                   | 5,22,199              | 2,13,428            | 3,93,805            | 14,01,898             | 11,01,062             |
| Customer Credit Balance W/off                     | 26,22,366             | (2,83,586)          | -                   | 1,12,38,801           | -                     |
| Other Income                                      | 6,32,288              | 3,96,101            | 2,80,805            | 12,83,693             | 19,76,138             |
| <b>Total</b>                                      | <b>37,76,853</b>      | <b>3,25,943</b>     | <b>6,74,610</b>     | <b>1,39,24,392</b>    | <b>30,77,200</b>      |
| <b>26. Cost of Raw Material Consumed</b>          |                       |                     |                     |                       |                       |
|   | 31st Mar, 2023        | 31st Dec, 2022      | 31st March, 2022    | 31st Mar, 2023        | 31st March, 2022      |
|   | Rupees                | Rupees              | Rupees              | Rupees                | Rupees                |
| Opening Stock of Raw Material                     | 63,06,386             | 53,35,758           | 2,47,07,297         | 2,79,25,271           | 13,07,715             |
| Add: Purchase of Raw Material                     | 8,41,25,163           | 8,02,81,893         | 6,84,86,233         | 34,46,22,442          | 34,19,19,020          |
| Add: Manufacturing Expense                        | 72,28,704             | 88,42,978           | 1,05,94,221         | 3,12,70,916           | 3,59,02,056           |
| Closing Stock of Raw Material                     | 3,24,98,632           | 63,06,386           | 2,79,25,271         | 3,24,98,632           | 2,79,25,271           |
| <b>Total Cost of Raw Material Consumed</b>        | <b>6,51,61,621</b>    | <b>8,81,54,243</b>  | <b>7,58,62,480</b>  | <b>37,13,19,998</b>   | <b>35,12,03,520</b>   |
| <b>Purchase of Traded Goods</b>                   | <b>15,54,97,280</b>   | <b>27,81,80,217</b> | <b>22,55,47,502</b> | <b>97,25,83,105</b>   | <b>81,38,05,980</b>   |
| <b>27. (Increase) / Decrease in Inventories:</b>  |                       |                     |                     |                       |                       |
|   | 31st Mar, 2023        | 31st Dec, 2022      | 31st March, 2022    | 31st Mar, 2023        | 31st March, 2022      |
|   | Rupees                | Rupees              | Rupees              | Rupees                | Rupees                |
| <b>Inventories at the beginning of the period</b> |                       |                     |                     |                       |                       |
| Finished Stocks                                   | 8,69,55,630           | 8,60,82,353         | 6,75,20,897         | 4,89,74,214           | 3,33,92,240           |
| Semi Finished Stock                               | 4,10,35,659           | 3,93,69,146         | 2,83,38,453         | 3,59,85,039           | 2,90,29,660           |
| Traded Goods                                      | 8,95,85,373           | 8,33,25,842         | 5,96,97,235         | 5,40,06,310           | 3,98,02,837           |
|   | <b>21,75,76,662</b>   | <b>20,87,77,341</b> | <b>15,55,56,585</b> | <b>13,89,65,563</b>   | <b>10,22,24,737</b>   |
| <b>Inventories at the end of the period</b>       |                       |                     |                     |                       |                       |
| Finished Stocks                                   | 9,45,82,635           | 8,69,55,630         | 4,89,74,214         | 9,45,82,635           | 4,89,74,214           |
| Semi Finished Stock                               | 2,17,84,192           | 4,10,35,659         | 3,59,85,039         | 2,17,84,192           | 3,59,85,039           |
| Traded Goods                                      | 6,29,07,410           | 8,95,85,373         | 5,40,06,310         | 6,29,07,410           | 5,40,06,310           |
|   | <b>17,92,74,237</b>   | <b>21,75,76,662</b> | <b>13,89,65,563</b> | <b>17,92,74,237</b>   | <b>13,89,65,563</b>   |
| <b>(Increase)/Decrease</b>                        | <b>3,83,02,425</b>    | <b>(87,99,321)</b>  | <b>1,65,91,022</b>  | <b>(4,03,08,674)</b>  | <b>(3,67,40,826)</b>  |
| <b>28. Employee Benefits Expense:</b>             |                       |                     |                     |                       |                       |
|   | 31st Mar, 2023        | 31st Dec, 2022      | 31st March, 2022    | 31st Mar, 2023        | 31st March, 2022      |
|   | Rupees                | Rupees              | Rupees              | Rupees                | Rupees                |
| Salaries, Wages, Bonus and other Benefits         | 2,88,15,848           | 2,85,04,132         | 2,35,00,370         | 10,87,93,416          | 7,81,73,310           |
| Contribution to Provident Fund and ESIC           | 9,31,447              | 7,94,931            | 6,13,901            | 28,21,448             | 20,71,441             |
| Staff Welfare Expenses                            | 14,66,438             | 11,88,368           | 13,72,953           | 53,17,350             | 48,83,566             |
| Leave Salary                                      | 1,50,000              | -                   | -                   | 6,00,000              | -                     |
| Gratuity  | 16,93,604             | 8,00,000            | 2,48,617            | 38,05,281             | 24,18,176             |
| Directors Remuneration                            | 60,90,000             | 40,45,600           | 2,93,06,049         | 1,82,24,600           | 3,98,00,000           |
| <b>Total</b>                                      | <b>3,91,47,338</b>    | <b>3,53,33,031</b>  | <b>5,50,41,890</b>  | <b>13,95,62,095</b>   | <b>12,73,46,493</b>   |



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| 29. Finance Costs :                                 | For The Quarter Ended          |                             |                               | For The Year Ended            |                            |
|---|--------------------------------|-----------------------------|-------------------------------|-------------------------------|----------------------------|
|   | 31st Mar,<br>2023<br>Rupees    | 31st Dec,<br>2022<br>Rupees | 31st March,<br>2022<br>Rupees | 31st March,<br>2023<br>Rupees | 31st March, 2022<br>Rupees |
| Interest on Borrowings                              | 62,51,667                      | 46,73,017                   | 17,91,025                     | 1,69,20,613                   | 57,66,847                  |
| Interest on Lease Liability                         | 11,15,962                      | 11,66,133                   |                               | 29,95,016                     |                            |
| Other Finance Cost                                  |                                |                             |                               | 6,926                         |                            |
| <b>Total</b>  | <b>73,67,629</b>               | <b>58,39,150</b>            | <b>17,91,025</b>              | <b>1,99,22,555</b>            | <b>57,66,847</b>           |
| <b>30. Depreciation and Amortisation Expenses :</b> |                                |                             |                               |                               |                            |
|   | 31st Mar,<br>2023<br>Rupees    | 31st Dec,<br>2022<br>Rupees | 31st March,<br>2022<br>Rupees | 31st March,<br>2023<br>Rupees | 31st March, 2022<br>Rupees |
| Depreciation on Property Plant & Equipment          | 15,96,640                      | 16,21,329                   | 10,68,790                     | 62,52,381                     | 34,72,974                  |
| Amortisation Of Intangible Assets                   | 40,02,585                      | 39,09,411                   | 38,04,768                     | 1,54,38,032                   | 1,37,36,263                |
| Depreciation on Rights of Use Assets                | 27,23,878                      | 27,34,427                   | -                             | 69,71,889                     | -                          |
| <b>Total</b>  | <b>83,23,103</b>               | <b>82,65,166</b>            | <b>48,73,558</b>              | <b>2,86,62,301</b>            | <b>1,72,09,238</b>         |
| <b>31. Other Expenses :</b>                         |                                |                             |                               |                               |                            |
|   | 31st Mar,<br>2023<br>Rupees    | 31st Dec,<br>2022<br>Rupees | 31st March,<br>2022<br>Rupees | 31st March,<br>2023<br>Rupees | 31st March, 2022<br>Rupees |
| Advertisement Expenses                              | 2,43,69,026                    | 2,65,40,650                 | 2,54,08,280                   | 9,99,89,600                   | 7,24,76,336                |
| Travelling and Conveyance                           | 3,30,335                       | 6,17,941                    | 1,85,302                      | 14,17,821                     | 6,52,205                   |
| Rent Rates and Taxes                                | 18,36,796                      | 20,27,513                   | 28,41,949                     | 78,02,451                     | 87,50,612                  |
| Legal and Professional Charges                      | 4,08,732                       | 6,95,190                    | 7,24,871                      | 25,53,070                     | 27,58,459                  |
| Insurance Charges                                   | 4,68,107                       | 5,97,956                    | 4,45,225                      | 21,35,891                     | 14,23,925                  |
| Repair and Maintenance                              | 3,84,320                       | 3,57,370                    | 1,39,215                      | 11,16,684                     | 8,29,630                   |
| Office Expenses                                     | 8,01,649                       | 10,73,582                   | 5,11,183                      | 31,20,689                     | 16,32,962                  |
| Commission Expenses                                 | 50,28,651                      | 92,99,453                   | 70,15,591                     | 2,85,81,099                   | 2,84,85,207                |
| Postage & Courier Expenses                          | 28,69,312                      | 33,18,964                   | 26,87,666                     | 1,22,81,171                   | 93,39,690                  |
| Payment to Auditor (Refer details below)            | 3,72,000                       | -                           | 1,75,000                      | 11,90,500                     | 8,69,500                   |
| Telephone Expenses                                  | 4,07,590                       | 3,30,503                    | 3,36,060                      | 14,91,795                     | 10,02,241                  |
| Printing and Stationery                             | 1,43,567                       | 1,11,904                    | 1,63,542                      | 5,75,412                      | 5,40,935                   |
| Electricity Charges                                 | 10,51,599                      | 11,74,166                   | 6,34,515                      | 38,02,512                     | 20,50,967                  |
| Miscellaneous Expenses                              | 10,93,424                      | 4,76,171                    | 2,42,027                      | 18,99,257                     | 4,44,366                   |
| Recruitment Charges                                 | 4,70,782                       | 2,39,624                    | 5,20,305                      | 15,39,056                     | 14,77,708                  |
| Packing Materials Consumed                          | 16,43,887                      | 21,19,813                   | 15,30,844                     | 85,67,109                     | 52,78,433                  |
| Bad Debts   | -                              | 16,25,316                   | -                             | 16,25,316                     | 59,325                     |
| Sales Promotion Expenses                            | 8,01,011                       | 3,81,113                    | 10,62,005                     | 21,25,314                     | 27,62,022                  |
| Brand - Tech - Website Expenses                     | -                              | -                           | 65,002                        | -                             | 40,05,139                  |
| Server & Storage Expenses                           | 34,14,319                      | 36,90,438                   | 24,75,420                     | 1,17,69,124                   | 97,04,240                  |
| Bank Charges  | 2,53,806                       | 2,01,160                    | 1,81,685                      | 6,00,989                      | 5,70,642                   |
| <b>Total</b>  | <b>4,61,48,914</b>             | <b>5,48,78,827</b>          | <b>4,73,45,686</b>            | <b>19,41,84,859</b>           | <b>15,51,14,542</b>        |
| <b>Payment to Auditor :</b>                         |                                |                             |                               |                               |                            |
|   | 31st Mar-23,<br>2023<br>Rupees | 31st Dec,<br>2022<br>Rupees | 31st March,<br>2022<br>Rupees | 31st March,<br>2023<br>Rupees | 31st March, 2022<br>Rupees |
| <b>As Auditor:</b>                                  |                                |                             |                               |                               |                            |
| Audit Fees  | 95,000                         | -                           | 37,500                        | 5,32,500                      | 2,75,000                   |
| <b>In other capacity:</b>                           |                                |                             |                               |                               |                            |
| Taxation & Other Fees                               | 2,77,000                       | 36,000                      | 1,37,500                      | 6,58,000                      | 5,94,500                   |
| <b>Total</b>  | <b>3,72,000</b>                | <b>36,000</b>               | <b>1,75,000</b>               | <b>11,90,500</b>              | <b>8,69,500</b>            |





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**32. Earnings Per Share (EPS):**

The following reflects the profit attributable to ordinary shareholders- basic and diluted EPS :

|  | For The Quarter Ended | For The Quarter Ended | For The Quarter Ended | For The Year Ended | For The Year Ended |
|--|-----------------------|-----------------------|-----------------------|--------------------|--------------------|
|  | 31st Mar, 2023        | 31st Dec, 2022        | 31st March, 2022      | 31st March, 2023   | 31st March, 2022   |
|  | Rupees                | Rupees                | Rupees                | Rupees             | Rupees             |
| Profit after Tax as per Statement of Profit and Loss   | (1,93,15,388)         | (1,71,09,877)         | (2,61,56,274)         | (7,82,13,042)      | (1,61,60,252)      |
| Net Profit for calculation of Basic / Diluted EPS  | (1,93,15,388)         | (1,71,09,877)         | (2,61,56,274)         | (7,82,13,042)      | (1,61,60,252)      |
| No of Equity Shares at the Period end  | Nos.<br>3,82,130      | Nos.<br>3,82,130      | Nos.<br>3,82,130      | Nos.<br>3,82,130   | Nos.<br>3,82,130   |
| Weighted average number of Equity Shares outstanding   | 3,82,130              | 3,82,130              | 3,82,130              | 3,82,130           | 3,82,130           |
| Effect of Dilution   |                       |                       |                       |                    |                    |
| Weighted average number of Equity Shares in calculating diluted EPS                          | 3,82,130              | 3,82,130              | 3,82,130              | 3,82,130           | 3,82,130           |
| Basic Earnings per equity share [nominal value of share Rs.10/- (Previous Year: Rs. 10/-)]   | (50.55)               | (44.78)               | (68.45)               | (204.68)           | (42.29)            |
| Diluted Earnings per equity share [nominal value of share Rs.10/- (Previous Year: Rs. 10/-)] | (50.55)               | (44.78)               | (68.45)               | (204.68)           | (42.29)            |

**33. Contingent Liabilities and Commitments (to the extent not provided for):**

Estimated amount of contracts remaining to be executed on capital account and not provided for.

| 31st March, 2023 | 31st March, 2022 |
|------------------|------------------|
| Rupees           | Rupees           |
| 1,00,00,000      | -                |

**34. Related Party Disclosures**

**(a) Names of related parties and related party relationships:**

**1. Key Management Personnel and their Relatives:**

**Key Management Personnel:**

Mr Rupesh Jain  
Mr Sanjay Raghuraman  
Mr Arun Sankar

**2. Enterprises over which key Management Personnel and their relatives have significant influence:**

Kalyan Jewellers Private Limited

**(b) Transactions with Key Management Personnel and their Relatives :**

| Nature of Transactions                                   | 31st March, 2023 | 31st March, 2022 |
|--|------------------|------------------|
|  | Rupees           | Rupees           |
| <b>I) Transactions during the period</b>                 |                  |                  |
| <b>1. Loans Taken</b>                                    |                  |                  |
| Kalyan Jewellers India Limited                           | 21,75,00,000     | 4,56,00,000      |
| Rupesh Jain  | 1,15,00,000      | -                |
| <b>2. Loans Repayment</b>                                |                  |                  |
| Kalyan Jewellers India Limited                           | -                | 8,72,25,000      |
| Rupesh Jain  | 1,15,00,000      | -                |
| <b>3. Expenditure</b>                                    |                  |                  |
| <b>Interest</b>  |                  |                  |
| Kalyan Jewellers India Limited                           | 94,42,088        | 39,75,823        |
| <b>4. Purchases (excl GST)</b>                           |                  |                  |
| Kalyan Jewellers India Limited                           | 33,24,42,102     | 19,79,84,501     |
| Rupesh Jain  | -                | 6,62,393         |
| <b>5. Reimbursement of Expenses/ Consultancy Charges</b> |                  |                  |



| Nature of Transactions   | 31st March,<br>2023 | 31st March, 2022 |
|--|---------------------|------------------|
|  | Rupees              | Rupees           |
| Rupesh Jain  | 4,84,024            | 30,93,016        |
| Vandana Jain   | 50,000              | -                |
| <b>6. Staff cost Incurred</b>  |                     |                  |
| Rupesh Jain  | -                   | 32,591           |
| <b>7. Director Remuneration</b>  |                     |                  |
| Rupesh Jain  | 1,82,24,600         | 3,98,00,000      |
| <b>8. Sales &amp; Service (Excl GST)</b>                               |                     |                  |
| Kalyan Jewellers India Limited   | 6,00,000            | 9,25,174         |
| Rupesh Jain  | 38,023              | 75,096           |
| <b>9. Purchase of Property/Vehicle/Capital Asset</b>                   |                     |                  |
| Rupesh Jain  | -                   | 15,09,784        |
| <b>10. Subscription of Equity Shares on Rights Basis</b>               |                     |                  |
| Rupesh Jain  | -                   | 1,51,21,120      |
| <b>11. Subscription of Preference Shares on Rights Basis</b>           |                     |                  |
| Kalyan Jewellers India Limited   | -                   | 18,79,97,000     |
| <b>II) Details of balance outstanding as at the balance sheet date</b> |                     |                  |
| <b>12. Loan Outstanding</b>  |                     |                  |
| Kalyan Jewellers India Limited   | 27,80,30,003        | 6,05,30,003      |
| <b>13. Trade Payable</b>   |                     |                  |
| Kalyan Jewellers India Limited   | 1,20,38,515         | 93,98,907        |
| Rupesh Jain  | 1,74,694            | 1,22,186         |
| <b>14. Interest Accrued &amp; Due on Borrowing</b>                     |                     |                  |
| Kalyan Jewellers India Limited   | 84,97,879           | -                |
| <b>15. Trade Receivables</b>   |                     |                  |
| Kalyan Jewellers India Limited   | 1,18,000            | 59,000           |
| <b>16. Investment by Holding Co.</b>                                   |                     |                  |
| Kalyan Jewellers India Limited   | 28,00,57,917        | 46,29,66,997     |

In previous Year the amount was including the amount paid by KJIL to Promoter and Investor Rs 18,29,09,080/- on acquisition of Enovate Shares. However such amount was not received to Enovate. So the amount has been excluded in Current Year



**ENOVATE LIFESTYLES PRIVATE LIMITED**  
**CIN: U74900MH2010PTC211692**  
**NOTES TO FINANCIAL STATEMENTS**

**33. Ratio Analysis**

| Particulars                            | 31st<br>March,<br>2023 | 31st<br>March,<br>2022 | %Change  | Remarks  |
|--|------------------------|------------------------|----------|--|
| <b>Current Ratio</b>                   | <b>2.48</b>            | 2.13                   | 16.61%   |  |
| <b>Debt to Equity Ratio</b>            | <b>4.49</b>            | 1.27                   | 253.13%  | The Company has raised long term debts from its parent Company which has led to higher debt equity ratio. The funds have been raised to meet its operating costs which has risen due to higher online marketing costs post covid.  |
| <b>Debt Service Coverage Ratio</b>     | <b>-1.49</b>           | 1.19                   | -225.41% | The Gross profits of the Company has declined during the current financial year, however the Company is expanding its footprints in offline stores where the marging are comparatively higher and marketing costs are also lower as compared to online marketing costs. The double benefits of higher margins and lower makketing costs should help Company to serve its debt.   |
| <b>Return on Equity</b>                | <b>-0.67</b>           | -0.08                  | 706.14%  | The Company is expandings its offline store business and is hopeful to improve its bottomline. The offline business will help the Copany in achieving higher gross margins.  |
| <b>Inventory Turnover Ratio</b>        | <b>6.71</b>            | 8.16                   | -17.82%  |  |
| <b>Trade Receivable Turnover Ratio</b> | <b>17.76</b>           | 27.17                  | -34.63%  | The Company has migrated its ecommerce platform from Magento1 to Magento2 which required a lot of software updates on the site. Magento migration is completed and website performance is far better and we are hopeful of increased order inflows in the next financial year.   |
| <b>Trade Payable Turnover Ratio</b>    | <b>36.28</b>           | 24.64                  | 47.26%   | The Company has been continously introducing new product designs to cater the needs of the customers. To meet the ever changings demand of the customers. This has led to increased purchases. With introduction of the offline stores business, we hope to improve our sales and margins.   |
| <b>Net Capital Turnover Ratio</b>      | <b>5.80</b>            | 6.97                   | -16.73%  |  |
| <b>Net Profit Ratio</b>                | <b>-4.99</b>           | -1.14                  | 336.07%  | Post Covid, the marketing costs and the people cots have increased. The online marketing rates have more than doubled as more and more players are foraying into online business resulting in increased online marketing costs. We hope to improve the overall performance of the Company by adopting a host of measures such as inventory level optimistaion, introduction of new product lines with goods margins, opening up of new stores and cost optimisation. Store expansion project will yield benefits impacting the overall business positively |





|                                   |              |              |                |
|-----------------------------------|--------------|--------------|----------------|
| <b>Return on Capital Employed</b> | <b>-0.18</b> | <b>-0.05</b> | <b>281.97%</b> |
| <b>Return on Investment</b>       | <b>0.02</b>  | <b>0.02</b>  | <b>2.37%</b>   |

Overall the increase in marketing costs and reduced turnover due to migration of into Magento 2 have resulted in margins. We have opened two offline stores during the current year and plan to open more stores in the years to come. With focused conversion rate improvement, cost optimisation, margin enhancement strategy is being worked upon and should yield better profitability in the next year.

#### 34. Additional Regulatory Information Required By Schedule III

- (i) All the Title Deeds of immovable properties are held in the name of the company.
- (ii) The Company has not revalued its Property Plant and Equipments during the year.
- (iii) Details of benami property held;  
No proceedings have been initiated on or are pending against the Company for holding benami property under the prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formally the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.
- (iv) Borrowing secured against current assets;  
The Company does not have any borrowing from the financial institution
- (v) Wilful defaulter;  
The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vi) Relationship with struck off companies;  
The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- (vii) Compliance with number of layers of companies  
The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (viii) Compliance with approved scheme(s) of arrangements;  
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (ix) Utilisation of borrowed funds and share premium;  
The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries  
The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:  
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or  
(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (x) Undisclosed income;  
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (xi) Details of crypto currency or virtual currency;  
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (xii) The borrowings obtained by the Company from banks and financial institutions, have been applied for the purpose for which such loans were taken.
- (xiii) There are no charges or satisfaction which are yet to be registered with Registrar of Companies beyond the satisfactory period.

#### 34. Details of Dues to Micro and Small Enterprises as defined under the the MSMED Act, 2006 :

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided in Note 17 to the extent the Company has received intimation from the suppliers regarding their status under the Act.

#### 35. Previous Period/Year Figures:

Previous Period/Year figures have been regrouped/reclassified, where necessary to conform to this year's classification.

For DIWAN GOSALIA & ASSOCIATES,  
Chartered Accountants.  
Firm Registration No.: 111881W

KALPESH GOSALIA  
Partner.  
Membership No. 113582  
Mumbai,  
Date:



For and on behalf of the Board of Directors  
for ENOVATE LIFESTYLES PRIVATE LIMITED

Sanjay Raghuraman  
Director  
DIN: 06589868  
Date:

Rupesh Babulal Jain  
Director  
DIN: 05285555  
Date:

12 MAY 2023

