

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Bluestone Jewellery and Lifestyle Private Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Bluestone Jewellery and Lifestyle Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2022, and its loss, total comprehensive loss, its cash flows and the changes in equity 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 Responsibility 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 ethical requirements that are relevant to our audit of the 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be 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.



# Deloitte Haskins & Sells

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Those Board of Directors are also 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



# Deloitte Haskins & Sells

- 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.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

# Deloitte Haskins & Sells

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company 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. a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 41(iv) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
b) The Management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the Note 41(v) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.  
  
c) 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 has not proposed final dividend for the year.



# Deloitte Haskins & Sells

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.008072S)



**Monisha Parikh**  
Partner  
(Membership No. 47840)  
UDIN: **22047840AXPTNS1417**

Bengaluru, September 30, 2022  
2022/MP/MS/AN

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements'  
section of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting 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 **Bluestone Jewellery and Lifestyle Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS 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. 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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

# Deloitte Haskins & Sells

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, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.008072S)



**Monisha Parikh**  
Partner  
(Membership No. 47840)  
UDIN: **22047840AXPTNS1417**

Bengaluru, September 30, 2022  
2022/MP/MS/AN

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**  
**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'**  
**section of our report of even date)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) In respect of property, plant and equipment and intangible assets-
- (a)
- A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, capital work in-progress and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) In respect of inventory-
- (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on 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, written confirmations have been obtained during the year and in respect of goods in transit at the year-end, confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.



(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock and book debt statements, filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters except for the following :-

For the quarter ended	Sanctioned amount to which discrepancy relates to (in million)	Details of discrepancies					Remarks (including subsequent rectification, if any)	
		Nature of current assets	Nature of discrepancy	Amount (in million)				
				Amount as per Quarterly returns and statements	As per unaudited books of accounts	Difference		
<b>HDFC BANK</b>								
March 31, 2022	50.00	Inventory	Impact of Ind AS transition and book closure entries	778.97	1,661.23	(882.26)	The difference is due to following reasons: (i) Impact of transition to Ind AS where in transfer of goods to the franchisee does not meet the definition of transfer of control. Thus, inventory lying at the franchisee location is included in as inventory of the Company as at the year end. Franchisee has the ability to obtain credit on such inventory and hence, this is not included as inventory in the statements submitted by the Company to the banks; and (ii) Book closure entries.	
<b>ICICI BANK</b>								
September 30, 2021	65.00	Inventory	Impact of Ind AS transition and book closure entries	520.00	524.67	(4.67)		
December 31, 2021				828.70	832.92	(4.22)		
March 31, 2022				774.90	1,661.23	(886.33)		

# Deloitte Haskins & Sells

- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under Section 148(1) of the Companies Act, 2013.
- (vii) In respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of excise, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities. We have been informed that the provisions of excise duty are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Service Tax, duty of Custom, duty of Excise, Sales Tax, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022.

- (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessment under the Income-tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year, except as under:

Nature of Borrowing	Name of Lender	Amount not paid on due date during the year (In Rs. Million)		No. of days of delay	Amount remaining unpaid as at March 31, 2022 (In Rs. Million)		Amount paid till the date of report (In Rs. Million)		Remarks
		Principal	Interest		Principal	Interest	Principal	Interest	
Term loans	Due to financial institutions:								
	Innoven Capital India Private Limited	3.33	0.77	3	-	-	3.33	0.77	Due to processing delays. Amount repaid with default interest.
		3.33	0.57	1	-	-	3.33	0.57	

# Deloitte Haskins & Sells

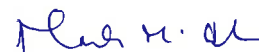
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
  - (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.
  - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet obligation of its subsidiaries, associates or joint ventures.
  - (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.
- (x)
- (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
  - (b) The Company has made private placement of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, *prima facie*, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application. The Company has neither made any preferential allotment of shares nor made private placement or preferential allotment of (fully or partly or optionally) convertible debentures during the year.
- (xi)
- (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) The Company is a private company and hence the provisions of section 177 is not applicable to the Company. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 of the Companies Act, 2013, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv)
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

X

# Deloitte Haskins & Sells

- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 31, 2021.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)
- (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group ("Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions) does not have any CIC (Core Investment Company) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs. 299.16 Million during the financial year covered by our audit and Rs. 181.65 Million in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.008072S)



**Monisha Parikh**  
Partner  
(Membership No. 47840)  
UDIN: **22047840AXPTNS1417**

Bengaluru, September 30, 2022  
2022/MP/MS/AN

**Bluestone Jewellery and Lifestyle Private Limited**  
**Balance Sheet as at 31 March 2022**  
*(All amounts are in INR million unless otherwise stated)*

Particulars	Notes	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment				
Right of use assets	3	288.94	114.08	68.40
Capital work-in-progress	6	1,856.76	632.75	439.27
Other intangible assets	4	2.88	2.32	23.10
Financial assets	5	4.92	3.35	2.56
i) Other financial assets				
Non-current tax assets (net)	7.4	102.74	33.19	33.21
Deferred tax assets (net)	8	7.45	2.83	1.91
Other non-current assets	9	-	71.01	71.01
	10	339.40	150.13	142.71
<b>Total non-current assets</b>		<b>2,603.09</b>	<b>1,009.66</b>	<b>782.17</b>
<b>Current assets</b>				
Inventories				
Financial assets	11	1,661.23	654.01	432.04
i) Loans				
ii) Trade receivables	7.1	9.08	9.31	9.64
iii) Cash and cash equivalents	7.2	49.98	22.90	52.56
iv) Bank balances other than (iii) above	7.3 A	87.12	96.41	49.52
v) Other financial assets	7.3 B	924.50	409.92	43.45
Other current assets	7.4	167.97	76.90	58.13
	10	106.03	54.47	81.57
<b>Total current assets</b>		<b>3,005.91</b>	<b>1,323.92</b>	<b>726.91</b>
<b>Total assets</b>		<b>5,609.00</b>	<b>2,333.58</b>	<b>1,509.08</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	12	9.98	9.08	9.08
Other equity	13	(18,372.31)	(5,715.51)	(5,410.28)
<b>Total Equity</b>		<b>(18,362.33)</b>	<b>(5,706.43)</b>	<b>(5,401.20)</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
i) Borrowings				
ii) Lease liabilities	14.1 A	18,360.85	5,746.05	5,548.05
iii) Other financial liabilities	14.4	1,754.40	581.67	390.03
Provisions	14.5	675.03	270.58	220.55
	15	33.02	133.71	130.03
<b>Total non-current liabilities</b>		<b>20,823.30</b>	<b>6,732.01</b>	<b>6,288.66</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
i) Borrowings				
ii) Gold on loan	14.1 B	136.08	18.92	66.76
iii) Lease liabilities	14.2	828.48	335.04	65.59
iv) Trade payables	14.4	191.35	86.63	58.88
(a) Total outstanding dues of micro enterprises and small enterprises	14.3	133.23	24.68	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	14.3	600.22	347.76	285.56
v) Other financial liabilities				
Provisions	14.5	466.09	156.51	56.40
Other current liabilities	15	271.47	49.35	1.82
	16	521.11	289.11	86.61
<b>Total current liabilities</b>		<b>3,148.03</b>	<b>1,307.99</b>	<b>621.62</b>
<b>Total liabilities</b>		<b>23,971.33</b>	<b>8,040.01</b>	<b>6,910.28</b>
<b>Total equity and liabilities</b>		<b>5,609.00</b>	<b>2,333.58</b>	<b>1,509.08</b>

Significant accounting policies

2

*The notes are an integral part of these financial statements*

As per our report of even date attached  
For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm registration number: 008072S)

*Monisha Parikh*  
**Monisha Parikh**  
Partner  
(Membership No: 47840)  
Place: Bengaluru  
Date: 30 September 2022



for and on behalf of Board of directors of  
**Bluestone Jewellery and Lifestyle Private Limited**  
CIN: U72900KA2011PTC059678

*Gaurav Singh Kushwaha*  
**Gaurav Singh Kushwaha**  
Managing Director  
DIN No: 01674879  
Place: Bengaluru  
Date: 30 September 2022

*Rumit Dugar*  
**Rumit Dugar**  
Chief Financial Officer  
Place: Bengaluru  
Date: 30 September 2022

*Sameer Dilip Nath*  
**Sameer Dilip Nath**  
Director  
DIN No: 07551506  
Place: Bengaluru  
Date: 30 September 2022

*Roopa Hegde*  
**Roopa Hegde**  
Company Secretary  
Place: Bengaluru  
Date: 30 September 2022



**Bluestone Jewellery and Lifestyle Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2022**  
*(All amounts are in INR million unless otherwise stated)*

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>Income</b>			
Revenue from operations	17	4,613.58	2,445.56
Other income	18	153.13	76.45
<b>Total income</b>		<b>4,766.71</b>	<b>2,522.01</b>
<b>Expenses</b>			
Cost of raw materials consumed	19	3,805.25	1,872.02
Change in inventories of finished goods, work-in-progress and stock-in-trade	20	(680.55)	(168.27)
Employee benefits expense	21	417.56	227.92
Finance costs	22	187.67	94.38
Fair value loss on financial liabilities at fair value through profit or loss	12(c)	12,093.23	1.79
Depreciation and amortization expense	23	220.69	131.40
Other expenses	24	1,335.94	677.60
<b>Total expenses</b>		<b>17,379.79</b>	<b>2,836.84</b>
<b>Loss before tax</b>		<b>(12,613.08)</b>	<b>(314.83)</b>
<b>Tax expenses:</b>			
Current tax	26 A	-	-
Deferred tax charge	26 E	71.01	-
<b>Income tax expenses</b>		<b>71.01</b>	<b>-</b>
<b>Loss for the year</b>	<b>A</b>	<b>(12,684.09)</b>	<b>(314.83)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
i. Re-measurement of defined benefit liability/ (asset)	25	0.17	0.57
ii. Income tax on (i) above		-	-
<b>Net other comprehensive income for the year, net of tax</b>	<b>B</b>	<b>0.17</b>	<b>0.57</b>
<b>Total comprehensive loss for the year</b>	<b>A+B</b>	<b>(12,683.92)</b>	<b>(314.26)</b>
<b>Earnings per share (in INR) (Nominal value of INR 1 each)</b>			
Basic	28	(6,987.74)	(341.42)
Diluted	28	(6,987.74)	(341.42)
Significant accounting policies	2		

*The notes are an integral part of these financial statements*

As per our report of even date attached

**For Deloitte Haskins & Sells**

Chartered Accountants

(Firm registration number: 008072S)

*Monisha Parikh*

**Monisha Parikh**

Partner

(Membership No: 47840)

Place: *Bengaluru*

Date: 30 September 2022



for and on behalf of Board of directors of

**Bluestone Jewellery and Lifestyle Private Limited**

CIN: U72900KA2011PTC059678

*Gaurav Singh Kushwaha*

**Gaurav Singh Kushwaha**

Managing Director

DIN No: 01674879

Place: *Bengaluru*

Date: 30 September 2022

*Rumit Dugar*

**Rumit Dugar**

Chief Financial Officer

Place: *Bengaluru*

Date: 30 September 2022



*Sameer Dilip Nath*

**Sameer Dilip Nath**

Director

DIN No: 07551506

Place: *Bengaluru*

Date: 30 September 2022

*Roopa Hegde*

**Roopa Hegde**

Company Secretary

Place: *Bengaluru*

Date: 30 September 2022

**Bluestone Jewellery and Lifestyle Private Limited**  
**Statement of cash flows for the year ended 31 March 2022**  
*(All amounts are in INR million unless otherwise stated)*

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. Cash flows from operating activities</b>			
<b>Loss before tax</b>		<b>(12,613.08)</b>	<b>(314.83)</b>
<i>Adjustments for non cash items and other adjustments :</i>			
Depreciation and amortisation	23	220.69	131.40
Expense on employee stock option scheme	21	27.12	9.03
Finance costs	22	107.52	48.48
Interest income	18	(30.41)	(9.05)
Fair value loss on financial liabilities at fair value through profit or loss		12,093.23	1.79
Issue related expenses	24	1.52	-
Profit on sale of property, plant and equipment (net)	18	(1.49)	(0.33)
Provision for doubtful advances and other assets	24	-	5.37
Provision for expected credit loss	24	1.86	-
Advances written off	24	8.71	-
Bad trade receivables written off	24	0.34	0.08
Provision for contingencies	18, 24	(47.12)	47.12
Rent waiver on lease liabilities	18	(13.83)	(43.20)
Liabilities no longer required written back	18	(46.17)	(12.68)
Gain on termination of lease	18	(3.71)	(3.96)
Unwinding of interest on financial assets carried at amortised cost	18	(7.09)	(2.84)
<b>Operating loss before working capital changes</b>		<b>(301.91)</b>	<b>(143.62)</b>
<b>Working capital adjustments :</b>			
(Increase)/ decrease in inventories		(1,007.22)	(221.97)
(Increase)/ decrease in trade receivables		(28.93)	24.20
(Increase)/ decrease in loans		0.23	0.33
(Increase)/ decrease in other current financial assets		(176.68)	(15.79)
(Increase)/ decrease in other current assets		(249.53)	19.67
Increase / (decrease) in trade payables		361.01	86.88
Increase / (decrease) in gold on loan		493.44	269.45
Increase / (decrease) in other current financial liabilities		764.44	162.09
Increase / (decrease) in provisions		168.71	4.66
Increase / (decrease) in other current liabilities		232.03	202.50
<b>Cash generated from operating activities before taxes</b>		<b>255.59</b>	<b>388.40</b>
Income tax paid (net)		(4.85)	(1.76)
<b>Net cash generated from operating activities (A)</b>		<b>250.75</b>	<b>386.63</b>
<b>B. Cash flows from investing activities</b>			
(Purchase)/ Redemption of deposits accounts with maturity more than 12 months		(514.58)	(366.45)
Purchase of property, plant and equipment, including intangible assets and capital advances		(286.66)	(99.77)
Proceeds from sale of property, plant and equipment		64.22	37.66
Interest received on fixed deposits		23.19	3.04
<b>Net cash flows used in investing activities (B)</b>		<b>(713.83)</b>	<b>(425.52)</b>
<b>C. Cash flows from financing activities</b>			
Interest paid (Refer note b below)		(33.55)	(11.48)
Proceeds from issue of equity shares		0.89	-
Proceeds from issue of compulsorily convertible preference shares (Refer note b below)		473.50	147.34
Proceeds from issue of non current borrowings (Refer note b below)		144.61	48.87
Proceeds from issue of current borrowings (Refer note b below)		75.83	-
Repayment of borrowings (Refer note b below)		(56.70)	(47.84)
Repayment of lease liability (Refer note b below)		(150.78)	(51.12)
<b>Net cash from financing activities (C)</b>		<b>453.80</b>	<b>85.77</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(9.28)</b>	<b>46.89</b>
Cash and cash equivalents at the beginning of the year		96.41	49.52
<b>Cash and cash equivalents at the end of the year</b>	7.3 A	<b>87.13</b>	<b>96.41</b>



*[Handwritten signature]*



**Bluestone Jewellery and Lifestyle Private Limited**  
**Statement of cash flows for the year ended 31 March 2022**  
*(All amounts are in INR million unless otherwise stated)*

Notes:  
(a) Above Cash Flow Statement has been prepared under indirect method in accordance with the Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".  
(b) Reconciliation of movements in liabilities arising from financing activities:

Particulars	April 01, 2020	Non cash changes			Cashflows	March 31, 2021
		Fair value changes	Finance cost accrued during the year	Additions (Net)		
Borrowings	66.76	-	12.22	-	(10.45)	68.53
Compulsorily convertible preference shares	5,548.05	1.05	-	-	147.34	5,696.44
Lease liabilities	448.91	(65.65)	35.43	300.73	(51.12)	668.30
	<b>6,063.72</b>	<b>(64.60)</b>	<b>47.65</b>	<b>300.73</b>	<b>85.77</b>	<b>6,433.27</b>

Particulars	April 01, 2021	Non cash changes			Cashflows	March 31, 2022
		Fair value changes	Finance cost accrued during the year	Additions (Net)		
Borrowings	68.53	-	29.30	-	130.19	228.02
Compulsorily convertible preference shares	5,696.44	12,098.97	-	-	473.50	18,268.91
Lease liabilities	668.30	1,350.25	77.98	-	(150.78)	1,945.75
	<b>6,433.27</b>	<b>13,449.22</b>	<b>107.28</b>	<b>-</b>	<b>452.91</b>	<b>20,442.68</b>

*The notes are an integral part of these financial statements*

As per our report of even date attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm registration number: 0080725)

*Monisha Parikh*

**Monisha Parikh**  
Partner  
(Membership No: 47840)  
Place: *Bengaluru*  
Date: 30 September 2022



for and on behalf of Board of directors of  
**Bluestone Jewellery and Lifestyle Private Limited**  
CIN: U72900KA2011PTC059678

*Gaurav Singh Kushwaha*  
**Gaurav Singh Kushwaha**  
Managing Director  
DIN No: 01674879  
Place: *Bengaluru*  
Date: 30 September 2022

*Rumit Dugar*

**Rumit Dugar**  
Chief Financial Officer  
Place: *Bengaluru*  
Date: 30 September 2022

*Sameer Dilip Nath*  
**Sameer Dilip Nath**  
Director  
DIN No: 07551506  
Place: *Bengaluru*  
Date: 30 September 2022

*Roopa Hegde*  
**Roopa Hegde**  
Company Secretary  
Place: *Bengaluru*  
Date: 30 September 2022





Bluestone Jewellery and Lifestyle Private Limited  
Statement of changes in equity for the year ended 31 March 2022  
(All amounts are in INR million unless otherwise stated)

A. Equity Share Capital

Equity shares of INR 1 each, fully paid up

	Note	Number	Amount
As at 1 April 2020		1,244,355	1.24
Changes in equity share capital during the year	12 (a)	(322,226)	(0.32)
As at 31 March 2021		922,129	0.92
As at 1 April 2021		893,063	0.89
Changes in equity share capital during the year	12 (a)	1,815,192	1.81
As at 31 March 2022			

B. Other Equity

Particulars	Reserves and surplus			Other comprehensive income	Total other equity
	Securities Premium	Retained earnings	Share options outstanding account	Re-measurement of (gain)/loss	
As at 1 April 2020 (Refer note 42)	492.23	(6,077.14)	172.73	1.90	(5,410.28)
Loss for the year	-	(314.83)	-	-	(314.83)
Other comprehensive income (net of tax)	-	-	-	0.57	0.57
Premium received on issue of shares	145.81	-	-	-	145.81
Options granted during the year	-	-	9.03	-	9.03
Less: Transfer on reclassification of compulsorily convertible preference shares as financial liability (Refer note 13(ii))	(145.81)	-	-	-	(145.81)
	-	(314.83)	9.03	0.57	(305.23)
As at 31 March 2021	492.23	(6,391.97)	181.76	2.47	(5,715.51)
As at 1 April 2021	492.23	(6,391.97)	181.76	2.47	(5,715.51)
Loss for the year	-	(12,684.09)	-	-	(12,684.09)
Other comprehensive income (net of tax)	-	-	-	0.17	0.17
Premium received on issue of shares	485.89	-	-	-	485.89
Options granted during the year	-	-	27.12	-	27.12
Less: Transfer on reclassification of Compulsorily convertible preference shares as financial liability (Refer note 13(i))	(485.89)	-	-	-	(485.89)
	-	(12,684.09)	27.12	0.17	(12,656.80)
As at 31 March 2022	492.23	(19,076.06)	208.88	2.64	(18,372.31)

The notes are an integral part of these financial statements

As per our report of even date attached  
For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm registration number: 0080725)

*Monisha Parikh*

Monisha Parikh  
Partner  
(Membership No: 47840)  
Place: Bengaluru  
Date: 30 September 2022



for and on behalf of Board of directors of  
Bluestone Jewellery and Lifestyle Private Limited  
CIN: U72900KA2011PTC059678

*Gaurav Singh Kushwaha*  
Gaurav Singh Kushwaha  
Managing Director  
DIN No: 01674879  
Place: Bengaluru  
Date: 30 September 2022

*Sameer Dilip Nath*  
Sameer Dilip Nath  
Director  
DIN No: 07551506  
Place: Bengaluru  
Date: 30 September 2022

*Rumit Dugar*

Rumit Dugar  
Chief Financial Officer  
Place: Bengaluru  
Date: 30 September 2022

*Roopa Hegde*

Roopa Hegde  
Company Secretary  
Place: Bengaluru  
Date: 30 September 2022



**Bluestone Jewellery and Lifestyle Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**1. General information**

Bluestone Jewellery and Lifestyle Private Limited ('the Company') is a private limited Company having its registered office in Bengaluru, India. The Company is engaged in design, manufacture and sale of fine jewellery. The Company carries on its business under the brand name of "BlueStone".

**2. Significant accounting policies**

**2.1 Basis of preparation**

**(i) Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, as amended by notification dated 31 May, 2021], Division II to Schedule III and other relevant provisions of the Act.

For all the periods upto and including the year ended 31 March 2021, the Company prepared its financial statements in accordance with accounting standards notified under Companies (Accounting Standard) Rules 2006 (as amended) and other relevant provisions of the Act.

These financial statements for the year ended 31 March 2022 are the first financial statement prepared in accordance with Ind AS. Please refer Note 42 for an explanation of how the transition from previous accounting standards (GAAP) to Ind AS has affected the Company's financial position, financial performance and cash flows.

These financial statements were authorised for issue by the Company's Board of Directors as on 30 September, 2022.

**(ii) Functional and presentation currency**

These financial statements are prepared in Indian Rupees which is also the Company's functional currency. All amounts have been presented in millions unless otherwise stated.

**(iii) Basis of Measurement**

The Financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities which are measured at fair value / amortised cost
- Defined benefit plans-plan assets are measured at fair value
- Share based payments are measured at fair value
- Right of use assets and lease liabilities are measured at fair value

(iv) The Company has incurred losses of Rs 12,684.09 Million during the current year (March 31, 2021 Rs 314.83 Million) and has accumulated losses aggregating to Rs 19,076.06 Million as at March 31, 2022 (March 31, 2021 Rs 6,391.97 Million). Further, the current liabilities exceed its current assets by Rs. 142.11 Million as at March 31, 2022.

During the year, the Company has generated cash from operations and has also been successful in opening further stores during the year which has resulted in improved margins. The Company thus expects further improvement in its cash flow from operations through increase in revenue from its existing as well as new customers. Subsequent to the year end, the Company has received Rs 750 Million against issue of 250,658 Compulsorily Convertible Preference Shares (CCPS) of ₹10 per CCPS at a premium of Rs 2,982.13 per CCPS and has raised Rs 100 Million in the form of non-convertible debentures to meet its business expansion and working capital requirements. The Company has also obtained additional working capital/ cash credit and term loan Sanctioned from banks subsequent the year end amounting to Rs. 485 Million and Rs. 425 Million respectively. Based on the funds received till date and expected improvement in the cash flow from operations, the management believes that the Company will continue as a going concern and thereby realize its assets and discharge its liabilities in the normal course of its business. Accordingly, the financial statements have been prepared using the going concern assumption.



*[Handwritten signature]*



**Bluestone Jewellery and Lifestyle Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**(v) Use of estimates, assumptions and judgements**

In preparing these financial statements, management has made judgements, 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 prospectively.

The areas involving critical estimates or judgments are:

- a) Estimation of current tax expenses and payable-Note 26
- b) Estimation of defined benefit obligation-Note 27
- c) Estimation of useful lives, residual values of property, plant & equipment, investment property - Note 3
- d) Fair value measurement of financial instruments and share based payments - Note 14.1
- e) Leases - Whether an arrangement contains a lease -Note 6

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**(vi) Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of assets or liability fall into different levels of fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(vii) Current versus non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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



A handwritten signature in blue ink, appearing to be 'Pam', written over a faint circular stamp.



## **2.2 Property, plant and equipment**

Items of property, plant and equipment and investment property are measured at cost which includes capitalised borrowing cost less accumulated depreciation and accumulated impairment losses if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

### **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the IGAAP carrying value of all of its property, plant and equipment recognised as at 1 April 2020 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### **Depreciation methods, estimated useful lives and residual value**

Depreciation on tangible PPE has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Display items are depreciated over 2 years and leasehold improvements over the primary lease period. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

### **Gain and loss on disposal of item of PPE**

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

## **2.3 Intangible assets**

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of Intangible assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets are amortized over their estimated useful life of 3 years on straight line method. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

### **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the IGAAP carrying value of all of its intangible assets recognised as at 1 April 2020 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

## **2.4 Impairment of non-financial assets**

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet for possible reversal of an impairment loss recognized for an asset, in prior accounting periods.



A handwritten signature in blue ink, appearing to be "A. S.", written over a circular stamp.



**Bluestone Jewellery and Lifestyle Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**2.5 Leases**

The Company's lease asset classes primarily consist of leases for certain office facilities under non-cancellable lease arrangements. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases). For these short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases.

**2.6 Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined as follows:

- a) Gold is valued on First-in-First-out basis.
- b) Other raw materials and packing materials are valued on a Weighted Average Basis and in respect of studded jewellery is determined on specific identification basis.
- c) Work-in-progress and finished goods include appropriate portion of overheads.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by the Company), freight inwards and other expenditure directly attributable to acquisition.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.



*JPS*



### **2.7 Foreign currency transactions**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

As at the reporting date, foreign currency monetary items are translated using the closing rate and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange gains and losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous financial statements are recognised in the Statement of Profit or Loss in the year in which they arise.

### **2.8 Revenue recognition**

(a) Sale of goods: The Company maintains both physical stores and an online platform for business with its customers. The mode of operation in case of physical stores include franchise-operated stores, company operated stores and shop-in-shop arrangements. The Company recognizes revenue when the control of goods being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled based on various customer terms including at the time of delivery of goods or upon dispatch based on various distribution channels.

The Company acts as the principal in its revenue arrangements and the franchisees qualify as agents, since it typically controls the goods or services before transferring them to the customer.

Revenue is measured based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made to customers, right of return and other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

(b) Gift vouchers: The amount collected on sale of a gift voucher is recognized as a liability and transferred to revenue (sales) on redemption by the customers.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Unearned and deferred revenue ("contract liability") is recognized when there is billings in excess of revenues.

Interest income is recognized on a time proportion basis, taking into account the amount outstanding and the rate applicable.

### **2.9 Employee benefits**

#### **(i) Short-term obligations**

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### **(ii) Other Long-term employee benefit obligations**

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

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### **(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- a) defined contribution plans - provident fund
- b) defined benefit plans - gratuity plans



**a) Defined contribution plans**

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**b) Defined benefit plans**

For defined benefit plans in the form of gratuity (unfunded), the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the tenor of the related obligation. The liability or asset recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurements of the net defined liability, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Change in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

**(iv) Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet

**2.10 Share based payments**

Employees of the Company receive remuneration in the form of employee option plan of the Group (equity settled instruments) for rendering services over a defined vesting period. Equity instruments granted to the employees of the Company are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the statement of profit and loss with a corresponding increase in equity (stock options outstanding account). The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity. The stock option compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

The cost of the share based payments is determined by the fair value at the date when the grant is made using the Black-Scholes Model. The expected term of an option is estimated based on the vesting term and contractual life of the option. Expected volatility during the expected term of the option is based on the historical volatility of similar companies. Risk free interest rates are based on the government securities yield in effect at the time of the grant.



A handwritten signature in blue ink, appearing to be "pu".



### **2.11 Consolidation of ESOP Trust and Treasury Shares**

The Company has established a private trust "Bluestone Jewellery and Lifestyle Private Limited Management Stock Transfer trust" for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The Trust purchase shares of the Company from the market, for giving shares to employees. The Company treats the Trust as its extension, consequently, the operations of the Trust are included in the financial statements of the Company. The shares held by the Trust are treated as treasury shares. Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity.

The company has granted a loan to the trust for acquisition of its shares from the secondary market. The loan to the Trust is eliminated against the loan from the Company as appearing in the books of the Trust.

### **2.12 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognized immediately in the Statement of Profit and Loss.

#### **a) Financial Assets**

##### **(i) Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price.

##### **(ii) Classification and Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

###### **1. Financial assets carried at amortised cost**

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

###### **2. Financial assets at fair value through other comprehensive income (FVOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### **3. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### **(iii) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on receivables and unbilled revenues. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.



A handwritten signature in blue ink, appearing to be "Jou".





**(iv) Derecognition of financial assets**

A financial asset is derecognised only when the Company:

- has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

**b) Financial liabilities**

**(i) Initial recognition and measurement**

Financial liabilities are initially measured at fair value, net of directly attributable transaction costs. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**(ii) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**i. Financial liabilities at fair value through profit or loss** - Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities

designated upon initial recognition as fair value through profit or loss. Compulsorily convertible preference shares and optionally convertible redeemable preference shares are designated and measured at FVTPL on initial recognition if they meet the definition of a liability as per Ind AS 32.

**ii. Financial liabilities at amortised cost (Loans and borrowings)** - After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**(iii) Derecognition**

A financial liability is derecognised when the Company's obligations are discharged or cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**(c) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.



A handwritten signature in blue ink, appearing to be "P. S. S.", written over a circular stamp.



### 2.13 Income tax

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

The current income tax is calculated on the basis of the tax rates and the tax laws enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Deferred tax is recognized for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only if it is probable that sufficient future taxable amounts will be available against which such deferred tax asset can be realised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets and liabilities and the deferred tax balances relate to the same taxable authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### 2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.



*[Handwritten signature]*



### 2.15 Contingent Liabilities

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### 2.16 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash on hand, amount at banks and other short-term deposits with an original maturity of three months or less that are readily convertible to known amount of cash and, which are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent includes cash on hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

### 2.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 2.18 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The Board of Directors of the Company assesses the financial performance and position of the Company. The Managing Director has been identified as the CODM. The Company operates in one segment only i.e. Jewellery. The CODM evaluates the Company's performance based on the revenue and operating income from the sale of Jewellery. Accordingly, no additional segment disclosure has been made for the business segment.

In terms of geographical segment, since the Company operates only in India, there is only one geographical segment, i.e. India. Accordingly, no additional disclosure has been made for geographical segment information.

### 2.19 Earnings Per Share (EPS)

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to the shareholders of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares), bonus elements in equity shares issued during the year.

#### (ii) 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 weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

For the purpose of calculating basic EPS, shares allotted to ESOP trust pursuant to the employee share based payment plan are not included in the shares outstanding as on the reporting date till the employees have exercised their right to obtain shares, after fulfilling the requisite vesting conditions. Till such time, the shares so allotted are considered as dilutive potential equity shares for the purpose of calculating diluted EPS.



A handwritten signature in blue ink, appearing to be "Jas".



**2.20 Recent accounting pronouncements**

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

**Ind AS 16 – Property Plant and equipment** - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022. The Company does not expect the amendment to have any significant impact on its financial statements.

**Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets** – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted. The Company does not expect the amendment to have any significant impact on its financial statements.

**Ind AS 103 – Reference to Conceptual Framework** - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact on its financial statements.

**Ind AS 109 – Annual Improvements to Ind AS (2021)** - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact on its financial statements.

**Ind AS 106 – Annual Improvements to Ind AS (2021)** - The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact on its financial statements.



A handwritten signature in blue ink, appearing to be "P. S.", written over a faint circular stamp.



**Bluestone Jewellery and Lifestyle Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**  
*(All amounts are in INR million unless otherwise stated)*

**3 Property, plant and equipment**

	Leasehold improvements	Display Items	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
<b>Cost or deemed cost (Gross carrying amount)</b>								
Balance as at 1 April 2020	19.91	15.18	12.69	8.15	10.53	1.24	0.70	68.40
Additions	69.60	3.03	0.40	13.82	25.46	5.49	-	117.80
Disposals	27.03	-	-	3.93	6.79	0.58	-	38.33
<b>Balance as at 31 March 2021</b>	<b>62.48</b>	<b>18.21</b>	<b>13.09</b>	<b>18.04</b>	<b>29.20</b>	<b>6.15</b>	<b>0.70</b>	<b>147.87</b>
Balance as at 1 April 2021	62.48	18.21	13.09	18.04	29.20	6.15	0.70	147.87
Additions	117.18	8.51	28.34	41.88	64.81	21.46	-	282.18
Disposals	43.87	-	-	9.66	10.79	1.87	-	66.19
<b>Balance as at 31 March 2022</b>	<b>135.79</b>	<b>26.72</b>	<b>41.43</b>	<b>50.26</b>	<b>83.22</b>	<b>25.74</b>	<b>0.70</b>	<b>363.86</b>

**Accumulated depreciation**

Balance as at 1 April 2020	-	-	-	-	-	-	-	-
Depreciation expense for the year	12.23	10.72	1.31	1.78	7.31	1.28	0.17	34.80
Disposals	0.67	-	-	0.10	0.21	0.03	-	1.01
<b>Balance as at 31 March 2021</b>	<b>11.56</b>	<b>10.72</b>	<b>1.31</b>	<b>1.68</b>	<b>7.10</b>	<b>1.25</b>	<b>0.17</b>	<b>33.79</b>
Balance as at 1 April 2021	11.56	10.72	1.31	1.68	7.10	1.25	0.17	33.79
Depreciation expense for the year	19.14	6.29	2.09	3.63	10.15	3.11	0.17	44.58
Disposals	2.61	-	-	0.29	0.42	0.13	-	3.45
<b>Balance as at 31 March 2022</b>	<b>28.09</b>	<b>17.01</b>	<b>3.40</b>	<b>5.02</b>	<b>16.83</b>	<b>4.23</b>	<b>0.34</b>	<b>74.92</b>

**Carrying amount (net)**

At 1 April 2020	19.91	15.18	12.69	8.15	10.53	1.24	0.70	68.40
At 31 March 2021	50.92	7.49	11.78	16.36	22.10	4.90	0.53	114.08
At 31 March 2022	107.70	9.71	38.03	45.24	66.39	21.51	0.36	288.94

- No impairment loss has been recognised during the current year or previous year.
- No revaluation of property, plant and equipment were carried out during the current or previous year.



**Bluestone Jewellery and Lifestyle Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**  
*(All amounts are in INR million unless otherwise stated)*

**4 Capital work in progress**

Particulars	As at	As at	As at
	31 March 2022	31 March 2021	1 April 2020
Tangible	2.88	2.32	23.10
<b>Total</b>	<b>2.88</b>	<b>2.32</b>	<b>23.10</b>

**CWIP ageing schedule:**

Particulars	As at	As at	As at
	31 March 2022	31 March 2021	1 April 2020
<b>Projects in progress</b>			
Less than 1 year	2.88	2.32	12.30
1-2 years	-	-	8.40
2-3 years	-	-	2.40
More than 3 years	-	-	-
<b>Total</b>	<b>2.88</b>	<b>2.32</b>	<b>23.10</b>
<b>Projects temporarily suspended</b>			
Less than 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2.88</b>	<b>2.32</b>	<b>23.10</b>

There is no CWIP under development whose completion is overdue or has exceeded its cost compared to the original plan.

**5 Other intangible assets**

**Reconciliation of carrying amount**

	Computer software	Total
<b>Cost or deemed cost (Gross carrying amount)</b>		
Balance as at 1 April 2020	2.56	2.56
Additions	2.75	2.75
Disposals	-	-
<b>Balance as at 31 March 2021</b>	<b>5.31</b>	<b>5.31</b>
Balance as at 1 April 2021	5.31	5.31
Additions	3.93	3.93
Disposals	-	-
<b>Balance as at 31 March 2022</b>	<b>9.24</b>	<b>9.24</b>
<b>Accumulated amortization</b>		
Balance as at 1 April 2020	-	-
Amortization expense for the year	1.96	1.96
Disposals	-	-
<b>Balance as at 31 March 2021</b>	<b>1.96</b>	<b>1.96</b>
Balance as at 1 April 2021	1.96	1.96
Amortization expense for the year	2.36	2.36
Disposals	-	-
<b>Balance as at 31 March 2022</b>	<b>4.32</b>	<b>4.32</b>
<b>Carrying amount (net)</b>		
Balance as at 1 April 2020	2.56	2.56
Balance as at 31 March 2021	3.35	3.35
Balance as at 31 March 2022	4.92	4.92

No revaluation of intangible assets were carried out during the current or previous year.



*John*



**6 Leases**

Under IGAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognized as an operating expense in the Statement of Profit or Loss on a straight-line basis over the lease term. Under Ind AS 116, a lessee applies a single recognition and measurement approach for all leases and recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the date of transition to Ind AS, Ind AS 116 has been applied using the modified retrospective approach with effect from 1 April 2020 (i.e. the Company has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and a right-of-use asset at its carrying amount as if the standard had been applied since commencement of the lease, but discounted using the lessee's incremental borrowing rate at the date of 1 April 2020). As a result, the Company recognized, as at 1 April 2020, INR 425.37 million as right-of-use assets and INR 448.91 million as lease liabilities and an impact of INR 23.54 million to retained earnings.

A. Following are the carrying value of right of use assets for the years ended 1 April 2020, 31 March 2021 and 31 March, 2022:

Particulars	Right of Use buildings	Total
<b>Cost</b>		
On adoption of Ind AS 116 as at 1 April 2020	439.27	439.27
Additions	306.62	306.62
Disposal/adjustments	(18.50)	(18.50)
<b>Balance as at 31 March 2021</b>	<b>727.39</b>	<b>727.39</b>
<b>Balance as at 1 April 2021</b>	<b>727.39</b>	<b>727.39</b>
Additions	1,424.06	1,424.06
Disposal/adjustments	(26.30)	(26.30)
<b>Balance as at 31 March 2022</b>	<b>2,125.15</b>	<b>2,125.15</b>
<b>Accumulated depreciation</b>		
On adoption of Ind AS 116 as at 1 April 2020	-	-
Charge for the year	94.64	94.64
Deletions	-	-
<b>Balance as at 31 March 2021</b>	<b>94.64</b>	<b>94.64</b>
<b>Accumulated depreciation as at 1 April 2021</b>	<b>94.64</b>	<b>94.64</b>
Charge for the year	173.75	173.75
Deletions	-	-
<b>Balance as at 31 March 2022</b>	<b>268.39</b>	<b>268.39</b>
<b>Net carrying amount as at 1 April 2020</b>	<b>439.27</b>	<b>439.27</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>632.75</b>	<b>632.75</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>1,856.76</b>	<b>1,856.76</b>



*(Handwritten signature)*



**Bluestone Jewellery and Lifestyle Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

(All amounts are in INR million unless otherwise stated)

**B. Following are Lease Liabilities for the years ended 1 April 2020 and 31 March, 2021 and 31 March, 2022:**

Particulars	As at	As at	As at
	31 March 2022	31 March 2021	1 April 2020
Opening balance	668.30	448.91	-
On transition to Ind AS 116 (Refer note 42)	-	-	448.91
Additions	1,394.09	300.73	-
Termination	(30.01)	(22.46)	-
Accretion of Interest	77.98	35.43	-
Payments (Including rent concessions refer note D below)	(164.61)	(94.31)	-
<b>Closing balance</b>	<b>1,945.75</b>	<b>668.30</b>	<b>448.91</b>

Particulars	As at	As at	As at
	31 March 2022	31 March 2021	1 April 2020
Current	191.35	86.63	58.88
Non-Current	1,754.40	581.67	390.03
<b>Total</b>	<b>1,945.75</b>	<b>668.30</b>	<b>448.91</b>

Refer Statement of Cash Flow for total cash outflow on account of lease payments during the years ended 31 March 2022 and 31 March 2021.

Following are the contractual maturities of lease liabilities as at 31 March 2022, 31 March 2021 and 1 April 2020 on an undiscounted basis:

Particulars	As at	As at	As at
	31 March 2022	31 March 2021	1 April 2020
Not later than one year	333.50	174.50	100.14
Later than one year but within five years	1,334.76	1,395.70	1,241.18
Later than five years	921.78	1,231.17	1,583.89
<b>Total</b>	<b>2,590.04</b>	<b>2,801.37</b>	<b>2,925.21</b>

**C. Following are expenses recognised in Statement of Profit and Loss for the years ended 31 March 2022 and 31 March 2021:**

Particulars	As at	As at
	31 March 2022	31 March 2021
Depreciation expense on Right of Use asset	173.75	94.64
Interest expense on lease liabilities	77.98	35.43
Rent expenses related to short term leases	41.46	44.77
<b>Total expense recognised in Statement of Profit and Loss</b>	<b>293.19</b>	<b>174.84</b>

**D. Details of rent**

The Company has applied practical expedient in Indian Accounting Standard (Ind AS 116) notified vide Companies (Indian Accounting Standards) Amendment Rules, 2020 by Ministry of Corporate Affairs on 24 July 2020 to all rent concessions received as a direct consequence of COVID-19 pandemic. Accordingly, the Company recognised an amount INR 13.83 million in the financial statements for the year ended 31 March 2022 (INR 43.20 for the year ended 31 March 2021) as reduction of rent expenses grouped under other expenses on account of rent concessions received.



*[Handwritten signature]*





7 Financial assets

7.1 Loans

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
<b>Unsecured</b>			
Advances to employees- considered good	9.08	9.31	9.64
Advances to employees- considered doubtful	0.13	0.13	0.13
Less : Provision for doubtful advances	(0.13)	(0.13)	(0.13)
<b>Total</b>	<b>9.08</b>	<b>9.31</b>	<b>9.64</b>

7.2 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
<b>Unsecured</b>			
Trade receivables - considered good	49.98	22.90	52.56
Trade receivables - credit impaired	2.23	0.37	0.37
	52.21	23.27	52.93
Less: Provision for expected credit loss	(2.23)	(0.37)	(0.37)
<b>Total</b>	<b>49.98</b>	<b>22.90</b>	<b>52.56</b>

Trade receivables Ageing Schedule- Gross

Ageing as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	48.62	1.36	-	-	-	49.98
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	0.16	2.07	-	-	2.23
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>48.62</b>	<b>1.52</b>	<b>2.07</b>	<b>-</b>	<b>-</b>	<b>52.21</b>

Ageing as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	22.22	0.68	-	-	-	22.90
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	0.37	-	-	0.37
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>22.22</b>	<b>0.68</b>	<b>0.37</b>	<b>-</b>	<b>-</b>	<b>23.27</b>

Ageing as at March 31, 2020

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	43.78	7.21	1.57	-	-	52.56
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	0.37	-	-	0.37
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>43.78</b>	<b>7.21</b>	<b>1.94</b>	<b>-</b>	<b>-</b>	<b>52.93</b>



Handwritten signature in blue ink.



7.3 Cash and bank balances

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>7.3 A Cash and cash equivalents</b>			
Cash on hand	4.39	3.33	0.15
Balances with banks			
- in current accounts	9.82	28.08	49.37
- in bank deposits (with original maturity of 3 months or less)	72.91	65.00	-
<b>Total cash and cash equivalents</b>	<b>87.12</b>	<b>96.41</b>	<b>49.52</b>
<b>7.3 B Other bank balances</b>			
Fixed deposit accounts with bank (original maturity more than 3 months but less than 12 months)	913.58	399.00	32.60
Margin money deposits *	10.92	10.92	10.85
<b>Total other bank balances</b>	<b>924.50</b>	<b>409.92</b>	<b>43.45</b>

\*Represents deposits given as security against bank guarantee.

7.4 Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-current</b>			
Rental and other deposits	102.74	33.19	33.21
<b>Total</b>	<b>102.74</b>	<b>33.19</b>	<b>33.21</b>
<b>Current</b>			
Rental and other deposits	56.99	30.31	10.33
Interest accrued but not due on fixed deposits with banks	14.49	7.27	1.26
Other receivables:			
Unsecured, Considered good	96.49	39.32	46.54
Unsecured, Considered doubtful	1.71	1.71	1.16
Less : Provision for other Receivables	(1.71)	(1.71)	(1.16)
<b>Total</b>	<b>167.97</b>	<b>76.90</b>	<b>58.13</b>

8 Non-current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Advance income tax (Net of provision for tax 31 March 2022- Nil, 31 March 2021- Nil, 01 April 2020 -Nil)	7.45	2.83	1.91
<b>Total Non-current tax assets (net)</b>	<b>7.45</b>	<b>2.83</b>	<b>1.91</b>



*[Handwritten signature]*



Bluestone Jewellery and Lifestyle Private Limited  
Notes to the financial statements for the year ended 31 March 2022  
(All amounts are in INR million unless otherwise stated)

9 Deferred tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Deferred tax assets (Refer Note 26B)	-	71.01	71.01
<b>Total Deferred tax assets (net)</b>	-	<b>71.01</b>	<b>71.01</b>

10 Other assets

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Other non-current assets</b>			
Balance with Government authorities			
i) Unsecured, considered good	339.40	150.13	142.71
ii) Unsecured, considered doubtful	99.80	99.80	94.98
Less: Provision for doubtful balances with Government authorities	(99.80)	(99.80)	(94.98)
<b>Total</b>	<b>339.40</b>	<b>150.13</b>	<b>142.71</b>
<b>Other current assets</b>			
Advance to suppliers	99.64	43.21	78.42
Prepaid expense	6.39	11.26	3.15
<b>Total</b>	<b>106.03</b>	<b>54.47</b>	<b>81.57</b>

11 Inventories

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Raw materials	480.18	155.46	102.82
Work-in-progress	1.05	2.64	4.99
Finished goods	1,175.92	493.78	323.16
Packing materials	4.08	2.13	1.07
<b>Total</b>	<b>1,661.23</b>	<b>654.01</b>	<b>432.04</b>

Amount of inventories recognised as an expense/(income) is NIL (31 March 2021- Nil, 1 April 2020 -Nil).

Write-down/(reversal of write-down of earlier years) of the inventories to net realisable value amounted to NIL (31 March 2021- Nil, 1 April 2020 -Nil)



*[Handwritten signature]*



Bluestone Jewellery and Lifestyle Private Limited  
Notes to the financial statements for the year ended 31 March 2022  
(All amounts are in INR million unless otherwise stated)

12 Share capital

Particulars	As at	As at	As at
	31 March 2022	31 March 2021	1 April 2020
<b>Authorized share capital</b>			
<b>Equity shares</b>			
3,700,000 Equity shares of Rs. 1 each (as at March 31, 2021: 3,700,000, 01 April 2020: 3,700,000)	3.70	3.70	3.70
<b>Compulsorily Convertible Preference Shares</b>			
609,594 CCPS of Series A of Rs. 10 each (as at March 31, 2021: 609,594, 01 April 2020: 612,000)	6.10	6.10	6.12
186,982 CCPS of Series B of ₹10 each, (as at March 31, 2021: 186,982, 01 April 2020: 188,000)	1.87	1.87	1.88
88,624 CCPS of Series B1 of ₹10 each, (as at March 31, 2021: 88,624, 01 April 2020: 88,800)	0.89	0.89	0.89
1,339,659 CCPS of Series B2 of ₹10 each, (as at March 31, 2021: 1,339,659, 01 April 2020: 1,382,900)	13.40	13.40	13.83
128,207 CCPS of Series B3 of ₹10 each, (as at March 31, 2021: 128,207, 01 April 2020: 144,230)	1.28	1.28	1.44
1,417,252 CCPS of Series C of ₹10 each, (as at March 31, 2021: 2,139,368, 01 April 2020: 2,230,000)	14.17	21.39	22.30
1,980,112 CCPS of Series D of ₹10 each, (as at March 31, 2021: 2,000,000, 01 April 2020: 2,000,000)	19.80	20.00	20.00
625,000 CCPS of Series D1 of ₹10 each, (as at March 31, 2021: 625,000, 01 April 2020: 625,000)	6.25	6.25	6.25
600,000 CCPS of Series D2 of Rs. 10 each (as at March 31, 2021: 600,000, 01 April 2020: 600,000)	6.00	6.00	6.00
300,000 CCPS of Series D3 of ₹10 each, (as at March 31, 2021: 300,000, 01 April 2020: 300,000)	3.00	3.00	3.00
169,122 CCPS of Series E of ₹10 each, (as at March 31, 2021: 153,496, 01 April 2020: NIL)	1.69	1.53	-
7,292 CCPS of Series E1 of ₹10 each, (as at March 31, 2021: NIL, 01 April 2020: NIL)	0.07	-	-
394,240 CCPS of Series E2 of ₹10 each, (as at March 31, 2021: NIL, 01 April 2020: NIL)	3.96	-	-
323,246 CCPS of Series F of ₹10 each, (as at March 31, 2021: NIL, 01 April 2020: NIL)	3.23	-	-
	<b>85.41</b>	<b>85.41</b>	<b>85.41</b>
<b>Issued, subscribed and paid-up share capital</b>			
<b>Equity share capital issued</b>			
1,815,192 Equity shares of Rs. 1 each, fully paid up (as at March 31, 2021: 1,244,455, 01 April 2020: 1,244,455)	1.82	0.92	1.24
Less: 322,326 Treasury shares	-	-	(0.32)
	<b>1.82</b>	<b>0.92</b>	<b>0.92</b>
<b>Equity component of Compulsorily Convertible Preference Shares (CCPS)</b>			
457,246 Series A CCPS of Rs. 10 each, fully paid up (as at March 31, 2021: 457,246, 01 April 2020: 457,246)	4.57	4.57	4.57
359,257 Series D2 CCPS of Rs. 10 each, fully paid up (as at March 31, 2021: 359,257, 01 April 2020: 359,257)	3.59	3.59	3.59
	<b>9.98</b>	<b>9.08</b>	<b>9.08</b>
<b>Total share capital</b>			

Number of shares have been disclosed in absolute terms.

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

Particulars	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number	Amount	Number	Amount	Number	Amount
<b>Equity shares</b>						
Balance at the beginning of the year	922,129	0.92	922,129	0.92	1,244,355	1.24
Shares issued during the year	893,063	0.90	-	-	100	0.00
Less: Treasury shares	-	-	-	-	(322,326)	(0.32)
<b>Total Equity shares at the end of the year</b>	<b>1,815,192</b>	<b>1.82</b>	<b>922,129</b>	<b>0.92</b>	<b>922,129</b>	<b>0.92</b>
<b>Compulsorily Convertible Preference Shares (CCPS)</b>						
<b>Series A</b>						
At the beginning of the year	457,246	4.57	457,246	4.57	457,246	4.57
Issued during the year	-	-	-	-	-	-
<b>Total</b>	<b>457,246</b>	<b>4.57</b>	<b>457,246</b>	<b>4.57</b>	<b>457,246</b>	<b>4.57</b>
<b>Series D2</b>						
At the beginning of the year	359,257	3.59	359,257	3.59	359,257	3.59
Issued during the year	-	-	-	-	-	-
<b>Total</b>	<b>359,257</b>	<b>3.59</b>	<b>359,257</b>	<b>3.59</b>	<b>359,257</b>	<b>3.59</b>
<b>Total Share Capital</b>	<b>2,631,695</b>	<b>9.98</b>	<b>1,738,632</b>	<b>9.08</b>	<b>1,738,632</b>	<b>9.08</b>



Handwritten signature in blue ink.



12 (b) Terms/rights attached to equity shares

Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the equity shareholders in the Annual General Meeting.

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 share holders and preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

12 (c) The Company has issued various series of Compulsorily Convertible Preference Shares ('CCPS') and Optionally Convertible Redeemable Preference Shares ('OCRPS').

The CCPS shareholders of Series A, B, B1, B2, B3, C, D, D1, D2, D3 and E shall have a right to convert any or all of the series at their sole discretion and at any time within 19 (nineteen) years from the issue of the Series, into Equity Shares of the Company without any additional payment to the Company for such conversion. Further, at the end of the 19th (nineteenth) year, the Series which are not so converted shall stand automatically converted into Equity Shares of the Company. If mandated by applicable laws the CCPS Series shall automatically convert to Equity Shares prior to listing of the Company's Shares on any Stock Exchange. The Series A, B, B1, B2, B3, C, D, D1, D2, D3 and E CCPS shall be converted into Equity shares at a conversion ratio of 1:1.

As per the terms and conditions of issue of CCPS, the Company had given a right to the holders of Series A, B, B1, B2, B3, C, D, D1, D3 and E to require the Company to buyback the CCPS held by investors at reasonable approximation of fair market value in the event initial public offering (IPO) does not occur for specified period ("buy back clause"). The Company assessed the probability of these rights and obligations leading to an outflow of cash or other resources, to be remote. However, based on terms of the agreement and its evaluation under IND AS 32, the CCPS had been classified as financial instrument in the nature of financial liability designated to be measured at fair value through profit or loss at each reporting period until these CCPS are converted into equity shares as per the conditions stated above (refer note 14.1 A). However, the terms and conditions of Series A (partly) and Series D2 CCPS do not include a buyback option and hence, is classified as Equity in accordance with Ind AS 32.

As per the terms and conditions of issue of Series E1 OCRPS and Series E2 CCPS, the holders shall have a right to convert any or all of the series at their sole discretion and at any time within 19 (nineteen) years from the issue of the Series, into variable number of Equity Shares of the Company and hence has been classified as financial instrument in the nature of financial liability designated to be measured at fair value through profit or loss (refer note 14.1 A).

Subsequent to the year end, the Company has initiated the process for obtaining waiver of the buy back clause contained in the agreements with the Series A (partly), B, B1, B2, B3, C, D, D1, D3 and E CCPS holders including the subsequently issued Series F.

12 (d) Particulars of shareholders holding more than 5% equity shares

Name of the shareholder	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number of shares held	% holding	Number of shares held	% holding	Number of shares held	% holding
<b>Equity Shares :</b>						
Ganesh K	209,296	12%	209,296	23%	209,296	23%
Gaurav Singh Kushwaha	1,395,000	77%	501,937	54%	501,937	54%
Srinivas Anumolu	209,296	12%	209,296	23%	209,296	23%
<b>Compulsory convertible preference shares</b>						
<b>Series A</b>						
ACCEL India III (Mauritius) Ltd	457,246	100%	457,246	100%	457,246	100%
<b>Series D2</b>						
Accel India III (Mauritius) Ltd	128,304	36%	128,304	36%	128,304	36%
Saama Capital II Ltd	26,043	7%	26,043	7%	26,043	7%
Vistra ITCL (India) Limited	31,251	9%	31,251	9%	31,251	9%
Iron Pillar Fund I Ltd	127,614	36%	127,614	36%	127,614	36%

12 (e) Shareholding of promoters:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Equity shares of Re 1 each</b>			
No. of shares held	-	-	-
% of shares held	-	-	-
% change during the year	-	-	-

**Note :**

Subsequent to year ended March 31, 2022, the board of directors of the Company ("Board") in its resolution dated August 24, 2022 ("Resolution") took on record that Mr. Gaurav Singh Kushwaha currently does not, and did not exercise any control over the affairs of the Company either by virtue of his shareholding and/or other rights in the Company in the previous financial years, including for the financial years ended March 31, 2022, 2021 and 2020. Thus, the Board concluded that Mr. Gaurav Singh Kushwaha was not the Promoter of the Company in the financial years ended March 31, 2022, 2021 and 2020 and thus the financial statements, Company's records and filings (including annual returns) as at and for the years ended March 31, 2022, March 31, 2021 and 2020 should not include Mr. Gaurav Singh Kushwaha as promoter. Accordingly, While the annual return filed with Ministry of Corporate Affairs ("MCA") for the years ended March 31, 2021 and 2020 had disclosed Mr. Gaurav Singh Kushwaha as Promoter of the Company due to him being the founder of the Company, on 30 September 2022, the Company has filed necessary documents with MCA to declassify the Promoter status of Mr. Gaurav Singh Kushwaha for the financial years ended March 31, 2021 and 2020.



*(Handwritten signature)*



<b>13 Other equity</b>				
Particulars		As at	As at	As at
		31 March 2022	31 March 2021	1 April 2020
Securities premium	(i)	492.23	492.23	492.23
Retained earnings	(ii)	(19,076.06)	(6,391.97)	(6,077.14)
Employee Stock Options Outstanding	(iii)	208.88	181.76	172.73
Items of Other Comprehensive Income	(iv)	2.64	2.47	1.90
<b>Total other equity</b>		<b>(18,372.31)</b>	<b>(5,715.51)</b>	<b>(5,410.28)</b>

<b>(i) Securities premium</b>				
Particulars		As at	As at	As at
		31 March 2022	31 March 2021	1 April 2020
Opening balance		492.23	492.23	3,722.21
Premium received on issue of equity shares		485.89	145.81	322.87
Less: Transaction Costs		-	-	(0.15)
Add / (Less) : Impact due to Ind AS adjustments		(485.89)	(145.81)	(3,552.70)
<b>Closing balance</b>		<b>492.23</b>	<b>492.23</b>	<b>492.23</b>

<b>(ii) Retained earnings</b>				
Particulars		As at	As at	As at
		31 March 2022	31 March 2021	1 April 2020
Opening balance		(6,391.97)	(6,077.14)	(5,835.82)
Add: Profit/(Loss) during the year		(12,684.09)	(314.83)	(241.32)
<b>Closing balance</b>		<b>(19,076.06)</b>	<b>(6,391.97)</b>	<b>(6,077.14)</b>

<b>(iii) Employee Stock Options Outstanding</b>				
Particulars		As at	As at	As at
		31 March 2022	31 March 2021	1 April 2020
Opening balance		181.76	172.73	147.48
Add: Compensation options granted during the year		27.12	9.03	25.25
<b>Closing balance</b>		<b>208.88</b>	<b>181.76</b>	<b>172.73</b>

<b>(iv) Items of Other Comprehensive Income</b>				
Particulars		As at	As at	As at
		31 March 2022	31 March 2021	1 April 2020
Opening balance		2.47	1.90	-
Actuarial Gain on remeasurement of defined benefit liability (net of tax)		0.17	0.57	1.90
<b>Closing balance</b>		<b>2.64</b>	<b>2.47</b>	<b>1.90</b>
<b>Total other equity</b>		<b>(18,372.31)</b>	<b>(5,715.51)</b>	<b>(5,410.28)</b>

**Nature and purpose of other equity**

**(i) Securities Premium:**

Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The same is available for utilisation in accordance with the provisions of the Companies Act, 2013.

**(ii) Retained earnings:**

The cumulative gain or loss arising from the operations which is retained by the Company is recognized and accumulated under the heading of retained earnings. At the end of the year, the profit after tax/ loss is transferred from the Statement of Profit and Loss to retained earnings.

**(iii) Employee Stock Options Outstanding:**

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to stock options outstanding Account. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of lapse, corresponding balance is transferred to retained earnings.

**(iv) Other comprehensive income:**

Other comprehensive income comprises actuarial gains and losses on defined benefit obligation.



*[Handwritten signature]*



Bluestone Jewellery and Lifestyle Private Limited  
Notes to the financial statements for the year ended 31 March 2022  
(All amounts are in INR million unless otherwise stated)

14 Financial liabilities

14.1 A Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current</b>			
<i>Secured, measured at amortised cost</i>			
Term Loans from Banks and Financial institutions (refer note (a) below)	140.68	52.79	51.76
Less : Current maturities of long-term debt (refer note 14.1 B)	(60.25)	(3.92)	(51.76)
	80.43	48.87	-
<i>Unsecured, measured at FVTPL</i>			
<b>Liability component of Compulsorily Convertible Preference Shares (Refer note 12 (c))</b>			
Compulsorily convertible preference shares of Rs. 10 each Series A 152,348 shares (As on 31 March 2021 : 152,348 shares, As on 1 April 2020 : 152,348 shares)	455.85	146.24	146.19
Compulsorily convertible preference shares of Rs. 10 each Series B 186,982 shares (As on 31 March 2021 : 186,982 shares, As on 1 April 2020 : 186,982 shares)	559.47	179.49	179.43
Compulsorily convertible preference shares of Rs. 10 each Series B1 88,624 shares (As on 31 March 2021 : 88,624 shares, As on 1 April 2020 : 88,624 shares)	265.17	85.07	85.04
Compulsorily convertible preference shares of Rs. 10 each Series B2 1,339,659 shares (As on 31 March 2021 : 1,339,659 shares, As on 1 April 2020 : 1,339,659 shares)	4,008.43	1,285.95	1,285.54
Compulsorily convertible preference shares of Rs. 10 each Series B3 128,207 shares (As on 31 March 2021 : 128,207 shares, As on 1 April 2020 : 128,207 shares)	383.61	123.07	123.03
Compulsorily convertible preference shares of Rs. 10 each Series C 1,417,252 shares (As on 31 March 2021 : 1,417,252 shares, As on 1 April 2020 : 1,417,252 shares)	4,240.60	1,360.43	1,360.00
Compulsorily convertible preference shares of Rs. 10 each Series D 1,940,933 shares (As on 31 March 2021 : 1,940,933 shares, As on 1 April 2020 : 1,940,933 shares)	5,807.52	1,863.13	1,862.52
Compulsorily convertible preference shares of Rs. 10 each Series D1 416,865 shares (As on 31 March 2021 : 416,865 shares, As on 1 April 2020 : 416,865 shares)	1,247.31	400.15	400.02
Compulsorily convertible preference shares of Rs. 10 each Series D3 110,754 shares (As on 31 March 2021 : 110,754 shares, As on 1 April 2020 : 110,754 shares)	331.39	106.31	106.28
Compulsorily convertible preference shares of Rs. 10 each Series E 169,122 shares (As on 31 March 2021 : 153,496 shares, As on 1 April 2020 : Nil shares)	506.05	147.34	-
Compulsorily convertible preference shares of Rs. 10 each Series E2 395,840 shares (As on 31 March 2021 : Nil shares, As on 1 April 2020 : Nil shares)	475.01	-	-
<i>Unsecured, measured at FVTPL</i>			
<b>Liability component of Optionally Convertible Redeemable Preference Shares (Refer note 12 (c))</b>			
Optionally convertible preference shares of Rs. 10 each Series E1 7,292 partly paid shares (As on 31 March 2021 : Nil shares, As on 1 April 2020 : Nil shares)	0.01	-	-
	18,280.42	5,697.18	5,548.05
<b>Total</b>	18,360.85	5,746.05	5,548.05

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
<i>Secured</i>			
Debentures	-	15.00	15.00
Current maturities of long-term debt (Refer note (a))	60.25	3.92	51.76
Bank overdraft (Refer note (a))	75.83	-	-
<b>Total</b>	136.08	18.92	66.76
<b>Total Borrowings</b>	18,496.93	5,764.97	5,614.81



*[Handwritten signature]*



**Notes**

a) Term loans from banks and financial institutions consist of the following:

-Term loan from Innoven Capital India Private Limited of INR 43.33 million (as at 31 March 2021: Nil, and as at 1 April 2020: Nil) carry interest rate of 14.35% p.a. and to be repaid in 21 equal monthly instalments from September 2021. The loan is secured by way of first pari passu charge on the fixed and current assets of the Company and first and exclusive charge on the non-current assets of the Company including all the intellectual property and right, except the fixed deposit placed with the bank for overdraft facilities and gold loans, by ways of hypothecation.

-Emergency Credit Line Guarantee Scheme ('ECLGS') loan from HDFC Bank Limited of INR 49.86 million (as at 31 March 2021: Nil, and as at 1 April 2020: Nil) to be repaid in 36 equal monthly instalments from January 2022 with interest at MCLR + 0.55% spread. The facility is covered by 100% guarantee from NCGTC ( National Credit Guarantee Trustee Company Ltd) Ministry of Finance, Government of India. The facility is secured by way of extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of bank.

-Emergency Credit Line Guarantee Scheme ('ECLGS') loan from HDFC Bank Limited of INR 47.72 million (as at 31 March 2021: Nil, and as at 1 April 2020: Nil) to be repaid in 36 equal monthly instalments from January 2023 with interest at MCLR + 0.30% spread. The facility is covered by 100% guarantee from NCGTC ( National Credit Guarantee Trustee Company Ltd) Ministry of Finance, Government of India. The facility is secured by way of extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of bank.

-Emergency Credit Line Guaranteed Scheme ('ECLGS') loan from ICICI Bank Limited of INR 0.00 (as at 31 March 2021: 48.87 million, and as at 1 April 2020: Nil) repayable in 36 equal monthly instalments from January 2022 with interest at I-EBLR rate, plus 0.55% spread. The facility is covered by 100% guarantee from NCGTC (National Credit Guarantee Trustee Company Ltd) Ministry of Finance, Government of India. The facility was secured by (i) extension of second ranking charge over all the existing securities including mortgage created in favour of the bank and (ii) charge on fixed deposits.

- Bank Overdraft includes the following:

- Cash Credit/Overdraft facility availed from HDFC Bank Limited of INR 47.06 million (as at 31 March 2021: Nil, and as at 1 April 2020: Nil) on which interest shall be paid monthly at the rate mutually decided . The facility is secured by way of pari-passu charge on current assets and fixed assets of the company and fixed deposits to the tune of 30% of exposure.

- Cash Credit/Overdraft facility availed from ICICI Bank Limited of INR 28.77 million (as at 31 March 2021: Nil, and as at 1 April 2020: Nil) on which interest shall be paid monthly at MCLR 6M + 2.05% spread. The facility is secured by way of pari-passu charge on all current assets other than those charged to other banks or FIs.

b) The quarterly statements of book debts and inventories filed with the banks against the borrowings obtained by the Company are in agreement with the books of accounts other than as below :

For the quarter ended	Sanctioned amount to which discrepancy relates to (in million)	Details of discrepancies					Remarks (including subsequent rectification, if any)			
		Nature of current assets	Nature of discrepancy	Amount (in million)						
				Amount as per Quarterly returns and statements	As per unaudited books of accounts	Difference				
<b>HDFC BANK</b>										
31-Mar-22	50.00	Inventory	Impact of Ind AS transition and book closure entries	778.97	1,661.23	(882.26)	The difference is due to following reasons: (i) Impact of transition to Ind AS where in transfer of goods to the franchisee does not meet the definition of transfer of control. Thus, inventory lying at the franchisee location is included in as inventory of the Company as at the year end. Franchisee has the ability to obtain credit on such inventory and hence, this is not included as inventory in the statements submitted by the Company to the banks; and (ii) Book closure entries			
<b>ICICI BANK</b>										
30-Sep-21	65.00			520.00	524.67	(4.67)				
31-Dec-21				828.70	832.92	(4.22)				
31-Mar-22		774.90	1,661.23	(886.33)						

c) During the year the company had instances of default in payment of Principal/Interest as below :

Name of Lender	Amount not paid on due date during the year (In Rs Million)		No. of days of delay	Amount remaining unpaid as at March 31, 2022 (In Rs Million)		Amount paid till the date of financial statements (In Rs Million)		Remarks
	Principal	Interest		Principal	Interest	Principal	Interest	
Due to Financial Institutions:								
Innoven Capital India Private Limited	3.33	0.77	3	-	-	3.33	0.77	Due to processing delays. Amount repaid with default interest.
	3.33	0.57	1	-	-	3.33	0.57	



*(Handwritten signature)*





14.2 Gold on loan

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Gold Metal Loan-repayable on demand (Refer note below)	828.48	335.04	65.59
<b>Total</b>	<b>828.48</b>	<b>335.04</b>	<b>65.59</b>

Notes

a) Represents amounts payable against gold purchased from various banks under gold on loan scheme with variable interest rates and is payable at monthly intervals. The credit period under the aforesaid arrangement is 180 days from the date of delivery of gold. The amounts are secured against fixed deposits

14.3 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
Total outstanding dues of micro enterprises and small enterprises	133.23	24.68	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	600.22	347.76	285.56
<b>Total trade payables</b>	<b>733.45</b>	<b>372.44</b>	<b>285.56</b>

Disclosure in respect of Micro and Small Enterprises :

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year			
-Principal	133.23	24.68	-
-Interest	-	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:			
-Interest	-	-	-
-Payment	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-



*[Handwritten signature]*



Trade payables Ageing Schedule

Ageing as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Total outstanding dues of micro, enterprises and small enterprises	133.23	-	-	-	133.23
Total outstanding dues of creditors other than micro, enterprises and small enterprises	422.78	75.06	98.44	3.94	600.22
Disputed dues of micro, enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro, enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>556.01</b>	<b>75.06</b>	<b>98.44</b>	<b>3.94</b>	<b>733.45</b>

Ageing as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Total outstanding dues of micro, enterprises and small enterprises	24.68	-	-	-	24.68
Total outstanding dues of creditors other than micro, enterprises and small enterprises	316.47	13.05	17.77	0.47	347.76
Disputed dues of micro, enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro, enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>341.15</b>	<b>13.05</b>	<b>17.77</b>	<b>0.47</b>	<b>372.44</b>

Ageing as at 01 April 2020

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	250.28	30.73	4.55	-	285.56
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>250.28</b>	<b>30.73</b>	<b>4.55</b>	<b>-</b>	<b>285.56</b>

14.4 Lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non current</b>			
Lease liabilities	1,754.40	581.67	390.03
<b>Total</b>	<b>1,754.40</b>	<b>581.67</b>	<b>390.03</b>
<b>Current</b>			
Lease liabilities	191.35	86.63	58.88
<b>Total</b>	<b>191.35</b>	<b>86.63</b>	<b>58.88</b>



*[Handwritten signature]*



Bluestone Jewellery and Lifestyle Private Limited  
Notes to the financial statements for the year ended 31 March 2022  
(All amounts are in INR million unless otherwise stated)

14.5 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-current</b>			
Deposit made by franchisee	675.03	270.58	220.55
<b>Total</b>	<b>675.03</b>	<b>270.58</b>	<b>220.55</b>
<b>Current</b>			
Interest accrued but not due on borrowings	0.39	4.63	3.90
Deposit made by franchisee	465.70	151.88	52.50
<b>Total</b>	<b>466.09</b>	<b>156.51</b>	<b>56.40</b>

15 Provisions

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-current</b>			
<b>Provision for employee benefits</b>			
Provision for gratuity (refer note 25)	23.47	19.69	16.80
Provision for compensated absence (refer note 25)	9.55	8.81	8.02
Provision for Phantom options (Refer note 37)	-	105.21	105.21
<b>Total</b>	<b>33.02</b>	<b>133.71</b>	<b>130.03</b>
<b>Current</b>			
Provision for contingencies (Refer note 39)	-	47.12	-
<b>Provision for employee benefits</b>			
Provision for gratuity (refer note 25)	1.59	1.51	1.17
Provision for compensated absence (refer note 25)	0.79	0.72	0.65
Provision for Phantom options (Refer note 37)	269.09	-	-
<b>Total</b>	<b>271.47</b>	<b>49.35</b>	<b>1.82</b>

16 Other liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
Advance received from customers	348.68	239.14	67.21
Statutory dues payable	11.78	7.97	10.74
Gift vouchers	160.65	42.00	8.66
<b>Total</b>	<b>521.11</b>	<b>289.11</b>	<b>86.61</b>



*(Handwritten signature)*



Bluestone Jewellery and Lifestyle Private Limited  
Notes to the financial statements for the year ended 31 March 2022  
(All amounts are in INR million unless otherwise stated)

17	Revenue from operations	For the year ended 31 March 2022	For the year ended 31 March 2021
	Particulars		
	Sale of products		
	Manufactured goods	4,613.58	2,445.56
	<b>Total revenue from operations</b>	<b>4,613.58</b>	<b>2,445.56</b>
	<b>(B) IND AS 115 - Revenue from contract with customers</b>		
	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	Revenue from contract with customers - Sale of products	4,613.58	2,445.56
	<b>Total revenue from operations</b>	<b>4,613.58</b>	<b>2,445.56</b>
	India	-	-
	Outside India	4,613.58	2,445.56
	<b>Total revenue from operations</b>	<b>4,613.58</b>	<b>2,445.56</b>
	Timing of revenue operation	4,613.58	2,445.56
	At a point in time	-	-
	Over a period of time	-	-
	<b>Total revenue from operations</b>	<b>4,613.58</b>	<b>2,445.56</b>
	<b>(C) Contract balances</b>		
	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	Contract liabilities		
	Advance from customers (refer note 16)	348.68	239.14
18	Other Income	For the year ended 31 March 2022	For the year ended 31 March 2021
	Particulars		
	Interest on fixed deposits and others	30.41	9.05
	Profit on sale of property plant and equipment (net)	1.49	0.33
	Liabilities no longer required written back	46.17	12.68
	Provision for contingencies reversed (refer note 39)	47.12	-
	Unwinding of interest on financial assets carried at amortized cost	7.09	2.84
	Gain on termination of lease	3.71	3.96
	Rent waiver on lease liabilities	13.83	43.20
	Miscellaneous income	3.31	4.39
	<b>Total other income</b>	<b>153.13</b>	<b>76.45</b>
19	Cost of raw materials consumed	For the year ended 31 March 2022	For the year ended 31 March 2021
	Particulars		
	Raw material consumed		
	Inventory at the beginning of the year	155.46	102.82
	Add: Purchases	4,129.97	1,924.66
	Less: Inventory at the end of the year	480.18	155.46
	<b>Total consumption</b>	<b>3,805.25</b>	<b>1,872.02</b>
20	Change in inventories of finished goods and work-in-progress	For the year ended 31 March 2022	For the year ended 31 March 2021
	Particulars		
	Inventories at the end of the year		
	Finished goods	1,175.92	493.78
	Work-in-progress	1.05	2.64
	Inventories at the beginning of the year	493.78	323.16
	Finished goods	2.64	4.99
	Work-in-progress	2.64	4.99
	<b>Net change</b>	<b>(680.55)</b>	<b>(168.27)</b>
21	Employee benefits expense	For the year ended 31 March 2022	For the year ended 31 March 2021
	Particulars		
	Salaries and wages	350.46	192.54
	Contribution to provident and other funds (Refer note 25)	12.24	9.40
	Gratuity expenses (Refer note 25)	7.55	5.69
	Expense on employee stock option scheme (Refer note 30)	27.12	9.03
	Staff welfare expenses	20.19	11.26
	<b>Total employee benefits expense</b>	<b>417.56</b>	<b>227.92</b>



*[Handwritten signature]*



Bluestone Jewellery and Lifestyle Private Limited  
Notes to the financial statements for the year ended 31 March 2022  
(All amounts are in INR million unless otherwise stated)

22 Finance costs	For the year ended 31 March 2022	For the year ended 31 March 2021
Particulars		
Interest on :		
Term loans from banks	27.99	8.45
Debentures	-	2.40
Delayed payment of taxes	0.23	0.84
Franchisee	78.22	42.89
Lease liability	77.98	35.43
Bank charges	1.93	3.01
Other borrowing costs	1.32	1.36
<b>Total finance costs</b>	<b>187.67</b>	<b>94.38</b>

23 Depreciation and amortization expense	For the year ended 31 March 2022	For the year ended 31 March 2021
Particulars		
Depreciation of property, plant and equipment (refer note 3)	44.58	34.80
Amortization of other intangible assets (refer note 5)	2.36	1.96
Depreciation of right to use assets (refer note 6)	173.75	94.64
<b>Total depreciation and amortization expense</b>	<b>220.69</b>	<b>131.40</b>

24 Other expenses	For the year ended 31 March 2022	For the year ended 31 March 2021
Particulars		
Power and fuel	18.53	9.66
Certification & hallmarking charges	33.15	15.39
Job work charges	137.06	89.53
Consumables	24.15	8.31
Security charges	10.78	6.09
Insurance	12.98	2.12
Repairs and maintenance		
-Buildings	3.34	2.45
Rates and taxes	2.58	0.97
Advertisement & marketing Cost	423.05	203.69
Payment gateway charges	46.02	23.35
Shipping charges	36.36	29.48
Brokerage & commission	210.34	116.64
Office maintenance		
Printing & stationery expenses	6.64	2.64
Postage and courier charges	1.26	0.86
Software and web development charges	10.31	10.15
Recruitment charges	2.68	1.53
Bad trade receivables written off	0.34	0.08
Advances written off	8.71	-
Rent (refer note 6)	41.46	44.77
Legal and professional charges*#	54.83	16.93
Travelling and conveyance expenses	19.17	5.57
Technology & communication expenses	16.86	12.23
Auditors remuneration (refer note (a) below)	3.10	1.96
Provision for doubtful advances and other assets	-	5.37
Provision for expected credit loss	1.86	-
Provision for contingencies (refer note 39)	-	47.12
Phantom options expense (refer note 37)	163.87	-
Office maintenance	43.17	19.45
Loss on sale of property, plant and equipment	-	-
Miscellaneous expenses	3.34	1.26
<b>Total other expenses</b>	<b>1,335.94</b>	<b>677.60</b>

\* Includes Rs 3 Million (March 31, 2021- Nil) Payable to a firm in which the partner of the audit firm is a partner.

(a) Payment to Auditors	For the year ended 31 March 2022	For the year ended 31 March 2021
Particulars		
As auditor:		
Statutory audit	3.00	1.90
Reimbursement of expenses	0.10	0.06
<b>Total</b>	<b>3.10</b>	<b>1.96</b>

# The Statement of Profit and Loss under legal and professional expenses also includes INR 17 Million (31 March 2021- Nil) towards comfort letter and other IPO related services.



*[Handwritten signature]*



25 Employee benefits

I Defined contribution plan

The Company has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan is as under:

Particulars	31 March 2022	31 March 2021
Employer's Contribution to Provident Fund	11.79	8.90
Employer's Contribution to Employee State Insurance Corporation	0.45	0.52
Employer's Contribution to Labour welfare fund	(0.00)	(0.02)
Expense recognized during the year	12.24	9.40

II Defined benefit plan

A Gratuity:

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan). The Gratuity Plan provides a lump sum payment to vested employees, at

a) Reconciliation of the projected benefit obligations

Particulars	As at		As at
	31 March 2022	31 March 2021	1 April 2020
<b>Change in projected benefit obligation:</b>			
Obligations at beginning of the year	21.03	18.05	16.61
Service cost	5.98	4.39	3.42
Interest on defined benefit obligation	1.39	1.22	1.28
Benefits settled	(3.17)	(2.06)	(1.36)
Actuarial (gain)/ loss	(0.17)	(0.57)	(1.90)
<b>Obligations at the end of year</b>	<b>25.06</b>	<b>21.03</b>	<b>18.05</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets:</b>			
Closing obligations	25.06	21.03	18.05
Closing fair value of plan assets	-	-	-
<b>Liability recognized in the balance sheet</b>	<b>25.06</b>	<b>21.03</b>	<b>18.05</b>
<b>Net liability:</b>			
Non-current	23.47	19.69	16.80
Current	1.59	1.34	1.25

b (i) Expense recognized in Statement of Profit and Loss:

Particulars	31 March 2022	31 March 2021
Service cost	5.98	4.39
Interest cost	1.40	1.22
Net benefit paid	-	-
Net gratuity cost	7.38	5.61

ii. Remeasurements recognized in Other Comprehensive Income

Particulars	31 March 2022	31 March 2021	1 April 2020
<b>Actuarial (gain)/ loss on defined benefit obligation</b>			
Changes in demographic assumption	(1.49)	0.24	1.82
Changes in financial assumptions	1.32	(0.81)	(3.72)
Experience variance (i.e. Actual experience vs assumptions)			
	<b>(0.17)</b>	<b>(0.57)</b>	<b>(1.90)</b>
<b>Actuarial (gain)/ loss on asset</b>			

c Defined benefit obligation - Actuarial assumptions

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:

Particulars	31 March 2022	31 March 2021	1 April 2020
Discount rate	7.15%	6.65%	6.75%
Salary increase	8.00%	8.00%	8.00%
Attrition rate:			
-Up to 44 years	8.00%	8.00%	8.00%
-Above 44 years	2.00%	2.00%	2.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Retirement Age (years)	58	58	58

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown

Particulars	31 March 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	22.45	28.17	18.77	23.72
Salary Growth Rate (- / + 1%)	27.75	22.72	23.38	18.94
Attrition Rate (- / + 50% of attrition rates)	24.48	25.82	20.39	21.89
Mortality Rate (- / + 10% of mortality rates)	25.06	25.06	21.02	21.03

(iii) The expected future cash flows in respect of gratuity:

Projected benefits payable in future years	31 March 2022	31 March 2021
1st following year	1.59	1.34
2nd to 5th year	7.28	6.00
6th to 10 years	9.28	6.85
More than 10 years	50.35	40.29



*[Handwritten signature]*



**B Compensated absences:**

The compensated absences cover the Company liability for earned leave which are classified as other long-term benefits. According to the Company policy on compensated absences, employees can encash their accumulated leave balance based on their last drawn gross salary.

**Reconciliation of the projected benefit obligations**

Particulars	As at	As at	As at
	31 March 2022	31 March 2021	1 April 2020
<b>Change in projected benefit obligation:</b>			
Obligations at beginning of the year	9.53	8.67	12.48
Service cost	3.56	2.91	2.05
Interest on defined benefit obligation	0.63	0.58	0.96
Benefits settled	(0.74)	(0.47)	(0.85)
Actuarial (gain)/ loss	(2.64)	(2.16)	(5.98)
<b>Obligations at the end of year</b>	<b>10.34</b>	<b>9.53</b>	<b>8.67</b>

**Reconciliation of present value of the obligation and the fair value of the plan assets:**

Closing obligations	10.34	9.53	8.67
Closing fair value of plan assets	-	-	-
<b>Liability recognized in the balance sheet</b>	<b>10.34</b>	<b>9.53</b>	<b>8.67</b>
<b>Net liability:</b>			
Non-current	9.55	8.81	8.02
Current	0.79	0.72	0.65

**(i) Expense recognized in Statement of Profit and Loss:**

Particulars	31 March 2022	31 March 2021
	Current Service cost	2.91
Past service cost	-	-
Net Interest Cost / (Income) the Net Defined Benefit Liability / (Asset)	0.58	0.96
Actuarial (gain)/ loss	(2.64)	(2.16)
Net benefit paid	-	-
<b>Net Interest Cost / (Income) the Net Defined Benefit Liability / (Asset)</b>	<b>1.34</b>	<b>(2.97)</b>

**Defined benefit obligation - Actuarial assumptions**

**(i) Actuarial assumptions**

**Principal actuarial assumptions at the reporting date:**

Particulars	31 March 2022	31 March 2021	1 April 2020
	Discount rate	7.15%	6.65%
Salary increase	8.00%	8.00%	8.00%
Attrition rate:			
- Up to 44 years	8.00%	8.00%	8.00%
- Above 44 years	2.00%	2.00%	2.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
Retirement Age (years)	58	58	58
Proportion of Leave Availment	5.00%	5.00%	5.00%
Proportion of Leave Encashment on separation	95.00%	95.00%	95.00%

**(ii) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown

Particulars	31 March 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	9.30	11.57	8.54	10.72
Salary Growth Rate (- / + 1%)	11.55	9.30	10.69	8.54
Attrition Rate (- / + 50% of attrition rates)	10.14	10.63	9.23	9.99
Mortality Rate (- / + 10% of mortality rates)	10.34	10.34	9.53	9.53

**(iii) The expected future cash flows in respect of gratuity:**

Projected benefits payable in future years	31 March 2022	31 March 2021
	1st following year	0.79
2nd to 5th year	3.11	2.77
6th to 10 years	4.30	3.27
More than 10 years	19.61	17.77



*Handwritten signature in blue ink.*



26 Income Taxes

A Amount recognized in Statement of Profit or Loss

Particulars	For the year ended	
	31 March 2022	31 March 2021
Current tax	71.01	-
Deferred tax	-	-
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>71.01</b>	<b>-</b>

B Income tax recognized in Other Comprehensive Income

Particulars	For the year ended	
	31 March 2022	31 March 2021
Remeasurement of the net defined benefit liability/asset	-	-
<b>Tax (expense)/benefit</b>	<b>-</b>	<b>-</b>

C Reconciliation of effective tax rate

Particulars	For the year ended	
	31 March 2022	31 March 2021
Loss before tax	(12,613.08)	(314.83)
Tax amount at the enacted income tax rate	25.17%	25.17%
<b>Expected income tax expense at statutory tax rate</b>	<b>-</b>	<b>-</b>
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>-</b>	<b>-</b>

D The following table provides the details of income tax assets and income tax liabilities as at 31 March 2022, 31 March 2021 and 1 April 2020

Particulars	As at	As at	As at
	31 March 2022	31 March 2021	1 April 2020
Advance income tax and tax deducted at source	7.45	2.83	1.91
Provision for taxes	-	-	-
<b>Net income tax asset/ (liability) at the end of the year</b>	<b>7.45</b>	<b>2.83</b>	<b>1.91</b>

E Deferred tax assets (net)

Particulars	As at	As at	As at
	31 March 2022	31 March 2021	1 April 2020
<b>Deferred tax asset and liabilities are attributable to the following:</b>			
<b>Deferred tax asset:</b>			
Provision for compensated absences, gratuity and other employee benefits	-	37.32	37.32
Provision for doubtful trade receivables/advances	-	23.50	23.50
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	-	10.19	10.19
<b>Deferred tax Asset / (Liability), net</b>	<b>-</b>	<b>71.01</b>	<b>71.01</b>
<b>Deferred tax asset recognized in the Balance Sheet</b>	<b>-</b>	<b>71.01</b>	<b>71.01</b>

Note :

Deferred tax assets has not been recognised on business loss of Rs 3,398.35 Million (March 31, 2021: Rs 3,324.01 Million, April 1, 2020: Rs 3,141.46 Million), unabsorbed depreciation of Rs 135.28 Million (March 31, 2021: Rs 110.68 Million, April 1, 2020: Rs 110.68 Million) and deductible temporary differences of Rs. 85.02 Million, since recovery is not considered probable in the foreseeable future.



*(Handwritten signature)*





Bluestone Jewellery and Lifestyle Private Limited  
Notes to the financial statements for the year ended 31 March 2022  
(All amounts are in INR million unless otherwise stated)

F Deferred tax (assets)/liabilities:

Movement of deferred tax assets / liabilities presented in the balance sheet

For the year ended 31 March 2022	As at April 1, 2021	Recognized in profit or loss	Recognized in OCI	As at 31 March 2022
<b>Deferred tax assets on:</b>				
Provision for compensated absences, gratuity and other employee benefits	37.32	(37.32)	-	-
Provision for doubtful trade receivables/advances	23.50	(23.50)	-	-
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	10.19	(10.19)	-	-
<b>Gross deferred tax assets</b>	<b>71.01</b>	<b>(71.01)</b>	-	-
<b>Net deferred tax liabilities/ (assets)</b>	<b>(71.01)</b>	<b>71.01</b>	-	-
<b>For the year ended 31 March 2021</b>	<b>As at 1 April 2020</b>	<b>Recognized in profit or loss</b>	<b>Recognized in OCI</b>	<b>As at March 31, 2021</b>
<b>Deferred tax assets on:</b>				
Provision for compensated absences, gratuity and other employee benefits	37.32	-	-	37.32
Provision for doubtful trade receivables/advances	23.50	-	-	23.50
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	10.19	-	-	10.19
<b>Gross deferred tax assets</b>	<b>71.01</b>	-	-	<b>71.01</b>
<b>Net deferred tax liabilities/ (assets)</b>	<b>(71.01)</b>	-	-	<b>(71.01)</b>



*[Handwritten signature]*



Bluestone Jewellery and Lifestyle Private Limited  
Notes to the financial statements for the year ended 31 March 2022  
(All amounts are in INR million unless otherwise stated)

27 Related party disclosures

(i) Names of related parties and description of relationship

A. Related party where control exists  
Relationship  
Key Management Personnel (KMP)  
Directors

Related Parties  
Mr. Gaurav Singh Kushwaha, Chairman, CEO and Director  
Mr. Prashanth Prakash  
Mr. Vikram Gupta  
Mr. Sameer Dilip Nath  
Mr. Suresh Shanmugham

B. Other related parties with whom transactions have taken place during the year

Mrs Arpita Tomar, Relative of KMP

ii) Related party transactions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year 1 April 2020
<b>Remuneration paid to Key Management Personnel</b>			
Gaurav Singh Kushwaha	7.51	12.67	12.50
<b>Borrowings taken</b>			
Prashanth Prakash	-	-	4.00
<b>Borrowings repaid</b>			
Prashanth Prakash	-	-	4.00
<b>Right shares issued</b>			
Gaurav Singh Kushwaha	0.89	-	-
<b>Sale of products</b>			
Arpita Tomar	1.47	-	-

iii) Amounts outstanding as at the balance sheet date

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year 1 April 2020
<b>Trade payables</b>			
Gaurav Singh Kushwaha	11.67	9.24	12.86

Note :-

- (i) Related parties are as identified by the Management and relied up on by the auditors.  
(ii) The Company has not written off or written back any related party balances.



*(Handwritten signature)*



**28 Earnings per share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to shareholders by the weighted average number of shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to shareholders by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into share capital.

The following table sets forth the computation of basic and diluted earnings per share:

Particulars	<i>(Figures in Rupees Millions except number of shares)</i>	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit / (Loss) after tax for calculating basic and diluted EPS	(12,684.09)	(314.83)
Weighted average number of shares (refer note below)	1,815,192	922,129
Earnings per share		
- Basic (Rupees/share)	(6,987.74)	(341.42)
- Diluted (Rupees/share)	(6,987.74)	(341.42)

Note: The impact of potential conversion of preference shares and ESOP into equity is anti-dilutive in nature and accordingly, the basic and diluted loss per share are same.

**Reconciliation of shares used in computing earnings per share**

Particulars		
	For the year ended 31 March 2022	For the year ended 31 March 2021
Weighted average number of equity shares of Re 1 each used for calculation of basic and diluted earnings per share	1,815,192	922,129

**29 Expenditure on Corporate Social Responsibility (CSR)**

As per Section 135 of The Companies Act, 2013, a Company meeting the applicable threshold, needs to spend at least 2% of its average net profits for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Since the Company is in losses, the provisions of Section 135 are not applicable to the Company and hence no expenditure has been incurred during the year.

**30 Employee Stock Option Plan**

The ESOP scheme titled Bluestone Jewellery and Lifestyle Employees Stock Option Plan - 2014 ('ESOP 2014') was approved by the shareholders during the year 2014 and was subsequently amended and approved in 2016.

The shares granted under the ESOP Plan do not vest on a single date but have graded vesting schedule with service conditions attached. As per the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India, which is recommendatory, the Company is required to record compensation cost and disclose information relating to the shares granted to the employees of the Company, under the said Plan.

The vesting period of these options range over a period of 1 to 4 years. The options may be exercised only post happening of Liquidity Event as approved by the Board of Directors.



*(Handwritten signature)*



**Bluestone Jewellery and Lifestyle Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**  
*(All amounts are in INR million unless otherwise stated)*

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year ended 31 March 2022	During the year ended 31 March 2021
<b>Outstanding at the beginning of the year</b>	<b>42,642</b>	<b>69,618</b>
Options granted during the year	116,226	13,750
Options vested during the year	(13,265)	(22,104)
Options exercised during the year	-	-
Options lapsed during the year	(7,032)	(18,622)
<b>Outstanding at the end of the year</b>	<b>138,571</b>	<b>42,642</b>
Weighted average exercise price per option	1	1

**Fair value measurement**

The fair value at grant date is determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The weighted average remaining contractual life of the options outstanding as of 31 March 2022 and 31 March 2021 under the ESOP (2014) option plan was 4 years.

The fair value of the options is estimated on the date of grant using the Black-Scholes-Merton Model with the following inputs and assumptions:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
No of options granted	116,226	13,750
Date of grant	1-Sep-21	1-Jul-20
Vesting Period	4 years	4 years
Dividend yield (%)	0%	0%
Volatility rate (%)	43%	43%
Risk free rate	7%	7%
Expected life of options (years)	4	4
Weighted average fair value of option per share		

The stock price is arrived using the last round of funding closest to the grant date. Implied volatility is the unit at which the price of shares of peer listed companies has fluctuated during the past period. The expected time to maturity/ expected life of options is the period for which the company expects the options to be alive, which has been taken as 4 years subject to adjustment of time lapse from the date of grant. The risk free rate considered for calculation is based on yield on government securities for 4 years as on date of valuation.




31 Financial Instruments - Fair value measurement

a The carrying value and fair value of financial instruments by categories are as below:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amortised cost	Fair value through profit or loss	Amortised cost	Fair value through profit or loss
<b>Financial assets</b>				
Loans	9.08	-	9.31	-
Trade receivables	49.98	-	22.90	-
Cash and cash equivalents	87.12	-	96.41	-
Bank balances other than above	924.50	-	409.92	-
Other financial assets	270.71	-	110.09	-
<b>Total assets</b>	<b>1,341.39</b>	<b>-</b>	<b>648.63</b>	<b>-</b>
<b>Financial liabilities</b>				
Borrowings	216.51	18,280.42	67.79	5,697.18
Trade payables	733.45	-	372.44	-
Other financial liabilities	1,141.12	-	427.10	-
<b>Total liabilities</b>	<b>2,091.08</b>	<b>18,280.42</b>	<b>867.32</b>	<b>5,697.18</b>

b Measurement of fair values

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

- recognized and measured at fair value
- measured at amortized cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is mentioned below:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

**Financial instruments**

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2022 and March 31, 2021.

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
<b>FVTPL financial liabilities:</b>					
Compulsorily convertible preference shares measured at FVTPL	As at 31 March 2022	18,280.42	-	-	18,280.42
Compulsorily convertible preference shares measured at FVTPL	As at 31 March 2021	5,697.18	-	-	5,697.18

**Transfers between Level 1, Level 2 and Level 3**

There were no transfers between Level 1, Level 2 or Level 3 during the year ended 31 March 2022 and 31 March 2021.

**Determination of fair values**

Fair values of financial assets and liabilities have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

- The fair values of other current financial assets and financial liabilities are considered to be equivalent to their carrying values.
- The fair values of liability component of Compulsorily Convertible Preference Shares is included at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.
- The fair values of borrowings at fixed rates are considered to be equivalent to present value of the future contracted cashflows discounted at the current market rate.



Handwritten signature in blue ink.



**32 Financial instruments - risk management**

The Company has exposure to the following risks arising from financial instruments:

- (i) credit risk (refer note (b) below);
- (ii) liquidity risk (refer note (c) below);
- (iii) market risk (refer note (d) below).

**(a) Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

**(b) Credit risk**

Credit risk is the potential financial loss resulting from the failure of tenants or counterparties of the Company to settle its financial and contractual obligations, as and when they fall due.

The Company has an established process to evaluate the creditworthiness of its customers and prospective customers to minimize potential credit risk. Credit evaluations are performed by the Company before agreements are entered into with prospective customers.

The Company establishes an allowance amount for impairment that represents its estimate of losses in respect of trade and other receivables. The main component of this allowance is estimated losses that relate to Shop in Shop Customers. The allowance account is used to provide for impairment losses. Subsequently when the Company is satisfied that no recovery of such losses is possible, the financial asset is considered irrecoverable and the amount charged to the allowance account is then written off against the carrying amount of the impaired financial asset.

Cash at bank and fixed deposits are placed with financial institutions which are regulated. As at the reporting date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Balance Sheet.

**i) Expected credit loss (ECL) assessment for customers as at 31 March 2022 and 31 March 2021**

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (including but not limited to past payment history, security by way of deposits, external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgment. The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	As at	As at
	31 March 2022	31 March 2021
Gross carrying amount	52.21	23.27
Expected loss rate	4.28%	1.61%
Expected credit losses (Loss allowance provision)	2.23	0.37
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>49.98</b>	<b>22.90</b>

**ii) Cash and cash equivalents**

The Company holds cash and cash equivalents of Rs.87.12 millions as at 31 March 2022 (31 March 2021: Rs.96.41 millions, 01 April 2020: 49.52 Millions). The cash and cash equivalents are mainly held with banks which are rated AAA- to AA- based on third party ratings. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of counterparties.

**iii) Other financial assets**

The Company considers that its other financial assets have low credit risk based on its nature.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the Management of the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.



*(Handwritten signature)*



Bluestone Jewellery and Lifestyle Private Limited

Notes to the financial statements for the year ended 31 March 2022

(All amounts are in INR million unless otherwise stated)

(f) Exposure to liquidity risk

The table below details the Company's remaining contractual maturity for its non-derivative financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
<b>As at 31 March 2022</b>						
Loans and borrowings	18,496.93	18,496.93	136.08	-	80.43	18,280.42
Gold on loan	828.48	828.48	828.48	-	-	-
Lease liabilities	1,945.75	1,945.75	333.50	342.85	1,269.40	-
Trade and other payables	733.45	733.45	733.45	-	-	-
Other financial liabilities	1,141.12	1,141.12	466.09	675.03	-	-
	<b>23,145.73</b>	<b>23,145.73</b>	<b>2,497.60</b>	<b>1,017.88</b>	<b>1,349.83</b>	<b>18,280.42</b>

Particulars	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
<b>As at 31 March 2021</b>						
Loans and borrowings	5,764.97	5,764.97	18.92	16.50	32.37	5,697.18
Gold on loan	335.04	335.04	335.04	-	-	-
Lease liabilities	668.30	668.30	174.50	341.08	152.72	-
Trade and other payables	372.44	372.44	372.44	-	-	-
Other financial liabilities	427.09	427.09	156.51	270.58	-	-
	<b>7,567.84</b>	<b>7,567.84</b>	<b>1,057.41</b>	<b>628.16</b>	<b>185.09</b>	<b>5,697.18</b>

Particulars	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
<b>As at 1 April 2020</b>						
Loans and borrowings	5,614.81	5,614.81	66.76	-	-	5,548.06
Gold on loan	65.59	65.59	65.59	-	-	-
Lease liabilities	448.91	448.91	100.14	184.68	164.09	-
Trade and other payables	285.56	285.56	285.56	-	-	-
Other financial liabilities	276.95	276.95	56.40	220.55	-	-
	<b>6,691.82</b>	<b>6,691.82</b>	<b>574.45</b>	<b>405.23</b>	<b>164.09</b>	<b>5,548.06</b>

ii) Financing arrangement

The Company had Rs. 39.17 Million (31 March 2021: Nil; 01 April 2020: Nil) undrawn borrowing facilities at the end of the reporting period.

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's

i) Currency risk

The Company's functionally currency is Indian rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's costs of imports, primarily in relation to other services.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in the Company's overall debt position in rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting year are as follows:

Currency exposure as at 31 March 2022 and 31 March 2021

Particulars	31-Mar-22		31-Mar-21	
	Foreign Currency	Rs in millions	Foreign Currency	Rs in millions
<b>Financial liabilities</b>				
Trade Payables:				
- US Dollars	0.02	1.19	0.00	0.03



*[Handwritten signature]*



**Bluestone Jewellery and Lifestyle Private Limited**  
**Notes to the financial statements for the year ended 31 March 2022**  
*(All amounts are in INR million unless otherwise stated)*

**ii) Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows:

**Exposure to interest rate risk:**

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows:

Particulars	31 March 2022	31 March 2021	1 April 2020
Variable-rate instruments	97.52	52.80	0.00
<b>Total Borrowings</b>	<b>97.52</b>	<b>52.80</b>	<b>0.00</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased /(decreased) profit /loss by the amounts as under.

Particulars	Profit or loss	
	1% increase	1% decrease
Variable rate borrowings as at 31 March 2022	(0.98)	0.98
Variable rate borrowings as at 31 March 2021	(0.53)	0.53

**iii) Commodity price risk**

The Company is exposed to commodity price risk due to price fluctuations on account of gold prices. The risk management strategy against gold price fluctuation includes procuring gold on loan basis, with a flexibility to fix price of gold at any time during the tenor of the loan. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

The Company has an outstanding balance of gold metal loan amounting to Rs. 828.48 millions as at 31 March 2022 (31 March 2021: Rs. 335.04 millions, 01 April 2020 :Rs 65.59 millions).

**33 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's capital structure mainly constitutes debt. The Company's capital structure is influenced by the changes in regulatory framework, government policies, available options of financing and the impact of the same on the liquidity position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, including interest-bearing loans and borrowings less cash and cash equivalents and other bank balances. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio is analysed as follows:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Total borrowings	18,496.93	5,764.97	5,614.80
Less: Cash and cash equivalents including book overdraft (refer note 7.3)	87.12	96.41	49.52
Adjusted net debt	18,409.81	5,668.56	5,565.28
Total equity	(18,362.33)	(5,706.43)	(5,401.20)
Less: Other components of equity	(18,372.31)	(5,715.51)	(5,410.28)
Adjusted equity	9.98	9.08	9.08
<b>Adjusted net debt to adjusted equity ratio</b>	<b>1,844.63</b>	<b>624.00</b>	<b>612.97</b>



*[Handwritten signature]*





34 Analytical Ratios

Ratio	Methodology	31 March 2022	31 March 2021	% change from 31 March 2022 to 31 March 2021	Explanation for the variance (March 2022 vs March 2021)
a) Current Ratio	Current assets over current liabilities	0.95	1.01	-6%	Movement due to increase in debt during the year Movement is due to increase in losses arising out of fair value loss on financial liabilities and movement in equity during the year Increase is due to increase in revenue Movement is mainly due to increase in current liabilities during the year Movement is due to increase in losses during the year mainly arising out of fair value loss on financial liabilities Movement is due to increase in losses during the year mainly arising out of fair value loss on financial liabilities Movement is due to increase in losses during the year mainly arising out of fair value loss on financial liabilities
b) Debt - Equity Ratio	Debt <sup>(4)</sup> over total shareholders' equity	(1.11)	(1.13)	-1%	
c) Debt Service Coverage Ratio	EBIT <sup>(1)</sup> over current debt	(0.02)	(0.03)	-52%	
d) Return on Equity Ratio	PAT <sup>(3)</sup> over total average equity	-105%	-6%	1759%	
e) Inventory Turnover Ratio	Cost of goods sold over average inventory	2.70	3.14	-14%	
f) Trade receivables turnover ratio	Revenue from operations over average trade receivables	126.60	64.81	95%	
g) Trade payables turnover ratio	Net credit purchases <sup>(5)</sup> over average trade payables	8.07	7.24	11%	
h) Net Capital Turnover Ratio	Revenue from operations over average working capital	(73.12)	40.35	-281%	
i) Net Profit Ratio	Net profit over revenue	-275%	-13%	2036%	
j) Return on Capital Employed	PBIT <sup>(2)</sup> over average capital employed <sup>(6)</sup>	-12867%	-162%	7842%	
k) Return on Investment	Profit before tax over total assets	-225%	-13%	1567%	

Notes

1. EBIT - Earnings before interest and taxes.
2. PBIT - Profit before interest and taxes including other income.
3. PAT - Profit after taxes.
4. Debt includes current and non-current lease liabilities.
5. Credit purchases means gross credit purchases after deducting purchase returns. Gross credit purchases includes other expenses.
6. Capital employed refers to total shareholders' equity and debt.

35 Relationship with struck off companies

31 March 2022

Name of struck off company	Nature of transactions with the struck-off company	Balance outstanding	Relationship with the struck off company, if any, to be disclosed
ADITYA KITCHEN SQUARE PRIVATE LIMITED	Payable	(0.04)	Nil <sup>(1)</sup>
RANK INTERNATIONAL PRIVATE LIMITED	Payable	(0.21)	Nil <sup>(2)</sup>
HARI BHAGWATI GEMS (INDIA) PRIVATE LIMITED	Payable	0.02	Nil <sup>(3)</sup>
AGLOW STARS CARE PRIVATE LIMITED	Payable	-	Nil <sup>(4)</sup>
HONEY EXPORTS PRIVATE LIMITED	Payable	0.03	Nil <sup>(5)</sup>
MARS ENTERPRISES PRIVATE LIMITED	Payable	-	Nil <sup>(6)</sup>

- 1) During the financial year 2021-2022, the Company made purchases of INR 1.07 mio out of which INR 1.03 mio was settled during the year.
- 2) During the financial year 2021-2022, the Company made purchases of INR 3.83 mio out of which INR 3.65 mio was settled during the year.
- 3) During the financial year 2021-2022, the Company made purchases of INR 0.20 mio. During the year INR 0.22 mio was paid.
- 4) During the financial year 2021-2022, the Company made purchases of INR 0.10 mio which was settled during the year.
- 5) During the financial year 2021-2022, the Company made purchases of INR 1.00 mio which was settled during the year and considering the balance of the previous years, there is advance outstanding of INR 0.03 mio in the books of accounts.
- 6) During the financial year 2021-2022, the Company made purchases of INR 0.10 mio which was settled during the year.

31 March 2021

Name of struck off company	Nature of transactions with the struck-off company	Balance outstanding	Relationship with the struck off company, if any, to be disclosed
AGLOW STARS CARE PRIVATE LIMITED	Payable	-	Nil <sup>(1)</sup>
HONEY EXPORTS PRIVATE LIMITED	Payable	0.03	Nil <sup>(2)</sup>
RANK INTERNATIONAL PRIVATE LIMITED	Payable	(0.03)	Nil <sup>(3)</sup>

- 1) During the financial year 2020-2021, the Company made purchases of INR 0.22 mio which was settled during the year.
- 2) During the financial year 2020-2021, the Company made purchases of INR 0.87 mio which was settled during the year. However upon considering the opening balance there is an advance outstanding of INR 0.03 mio in the books of accounts.
- 3) During the financial year 2020-2021, the Company made purchases of INR 0.07 mio out of which INR 1.28 mio was settled during the year. However upon considering the opening balance there is a payable outstanding of INR 0.03 mio in the books of accounts.



*[Handwritten signature]*



**36 Operating segments**

The Company is engaged in design, manufacture and sale of jewellery, which constitutes a single segment. Accordingly, there are no separate reportable primary segments. The information relating to revenue from external customers has been disclosed as given below:

**A) Revenue from operations**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Domestic		
Export	4,613.58	2,445.56
<b>Total</b>	<b>4,613.58</b>	<b>2,445.56</b>

**37 Phantom option scheme**

During the year 2016-17, the scheme titled "Bluestone Jewellery and Lifestyle Private Limited - Phantom Option Scheme 2016" (POS 2016) was approved by the Board of Directors.

The objective of the POS 2016 is to reward the former employees and non-employee associates for their contribution. Under the scheme, the Company has granted 109,715 options (31 March 2021 - 109,715 options) to former employees and non-employee associates.

The options can be exercised post occurrence of a defined liquidity event under the scheme and price as would be determined and approved by the Board of Directors (refer note 43(4)).

**38 Spread of COVID -19 has affected the economic activity across the globe, including India. The operations of the Company were impacted, due to nationwide lockdown imposed by the Government.**

As at March 31, 2022, in assessing the recoverability of property, plant and equipment, intangible assets, loans and advances inventories and trade receivables and other receivables, the Company has considered internal and external information up to the date of approval of these financial statements. Based on current indicators of future economic conditions, there is no material impact on the financial statements and the Company does not anticipate any major challenge in meeting its financial obligations, on long term basis and does not carry any risk in the recoverability and carrying values of its assets including property, plant and equipment, intangible assets, loans and advances inventories and trade receivables and other receivables and does not anticipate any additional liability as at the Balance Sheet date. However, the impact of this global health pandemic may be different from that estimated as at the date of approval of these financial statements given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions impacting its business.

**39 During the year ended March 31, 2021 the Company had provided INR 47.12 Million on estimated basis as contingencies towards certain indirect taxes claims. During the year ended March 31, 2022, the Company has repaid these amounts and the provision has been reversed.**

**40 Code of Social Security**

The Code on Social Security, 2020 ("the Code") which would impact the contributions by the Company towards Provident Fund and Gratuity has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date from which the Code will come into effect has not been notified. The Ministry of Labour and Employment (Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which is under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

**41 Other statutory information**

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) 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

(v) 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,

(vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).



*[Handwritten signature]*



#### 42 Explanation of transition to Ind AS

As stated in Note 2.1(i), these are the Company's first financial statements prepared in accordance with Ind AS 1, Preparation and Presentation of financial statements. For the year ended 31 March 2020, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2022 including the comparative information for the year ended 31 March 2021 and the opening Ind AS balance sheet on the date of transition i.e., 1 April 2020.

In preparing its Ind AS balance sheet as at 1 April 2020 and in preparing the comparative information for the year ended 31 March 2021, the Company has adjusted the amounts reported previously in financial statement prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements and how the transition from previous GAAP to Ind AS has affected the financial position, financial performance and cash flows.

#### A Optional exemptions availed

##### 1. Property, plant and equipment & Intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets as well.

##### 2. Share based payment

As per Ind AS 101, a first-time adopter is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind ASs. However, if a first-time adopter elects to apply Ind AS 102 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments, determined at the measurement date, as defined in Ind AS 102. If a first-time adopter modifies the terms or conditions of a grant of equity instruments to which Ind AS 102 has not been applied, the entity is not required to apply modification accounting as specified in paragraphs 26-29 of Ind AS 102 if the modification occurred, before the date of transition to Ind ASs.

The Company has availed exemption available under Ind AS 101 on application of Ind AS 102, "Share Based Payment", to equity instruments that vested before the date of transition to Ind AS.

#### B Mandatory Exceptions

##### 1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortized cost

##### 2. Derecognition of financial assets and financial liabilities

As per Ind AS 101, an entity should apply the derecognition requirement in Ind AS 109, Financial Instrument, prospectively for transition occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirement retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

Accordingly, the Company has opted to apply derecognition requirement prospectively for transaction occurring on or after the date of transition.

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.



Handwritten signature of the authorized signatory.



Bluestone Jewellery and Lifestyle Private Limited  
Notes to the financial statements for the year ended 31 March 2022  
(All amounts are in INR million unless otherwise stated)

42 Explanation of transition to Ind AS (Continued)  
Reconciliation of assets and liabilities as at 1 April 2020 and 31 March 2021

Particulars	Note	As at the date of transition 1 April 2020			As at 31 March 2021		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS	Previous GAAP*	Effect of transition to Ind AS	Ind AS
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment		68.40	-	68.40	114.08	-	114.08
Right of use assets	A	-	439.27	439.27	-	632.75	632.75
Capital work-in-progress		23.10	-	23.10	2.32	-	2.32
Other intangible assets		2.56	-	2.56	3.35	-	3.35
<b>Financial assets</b>							
i) Loans	D	1.24	(1.24)	-	1.24	(1.24)	-
ii) Other financial assets	B	57.83	(24.62)	33.21	22.83	10.36	33.19
Deferred tax assets (net)		71.01	-	71.01	71.01	-	71.01
Other non-current assets		144.62	-	144.62	152.96	-	152.96
<b>Total non-current assets</b>		<b>368.76</b>	<b>413.41</b>	<b>782.17</b>	<b>367.79</b>	<b>641.87</b>	<b>1,009.66</b>
<b>Current assets</b>							
Inventories	H	323.17	108.87	432.04	318.16	335.85	654.01
<b>Financial assets</b>							
i) Loans		9.64	-	9.64	9.31	-	9.31
ii) Trade receivables	C	184.63	(132.07)	52.56	237.64	(214.74)	22.90
iii) Cash and cash equivalents		49.52	-	49.52	96.41	-	96.41
iv) Bank balances other than (iii) above		43.45	-	43.45	409.92	-	409.92
iv) Other financial assets	C	82.42	(24.29)	58.13	131.78	(54.88)	76.90
Other current assets	B	1.26	80.31	81.57	7.27	47.20	54.47
<b>Total current assets</b>		<b>694.09</b>	<b>32.82</b>	<b>726.91</b>	<b>1,210.48</b>	<b>113.43</b>	<b>1,323.92</b>
<b>Total Assets</b>		<b>1,062.85</b>	<b>446.23</b>	<b>1,509.08</b>	<b>1,578.27</b>	<b>755.30</b>	<b>2,333.58</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
Equity share capital	D, E	67.23	(58.15)	9.08	68.76	(59.68)	9.08
<b>Other equity</b>							
Retained earnings	A-H	196.89	(5,607.16)	(5,410.28)	211.44	(5,926.95)	(5,715.51)
<b>Total equity</b>		<b>264.11</b>	<b>(5,665.31)</b>	<b>(5,401.20)</b>	<b>280.20</b>	<b>(5,986.63)</b>	<b>(5,706.43)</b>
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
<b>Financial Liabilities</b>							
i) Borrowings	E, F	-	5,548.05	5,548.05	48.87	5,697.18	5,746.05
ii) Lease liabilities	A	-	390.03	390.03	-	581.67	581.67
iii) Other Financial liabilities	H	-	220.55	220.55	-	270.58	270.58
Provisions		130.03	-	130.03	133.71	-	133.71
Other non current liabilities	H	158.32	(158.32)	-	48.08	(48.08)	-
<b>Total non-current liabilities</b>		<b>288.35</b>	<b>6,000.31</b>	<b>6,288.66</b>	<b>230.66</b>	<b>6,501.35</b>	<b>6,732.01</b>
<b>Current liabilities</b>							
<b>Financial Liabilities</b>							
i) Borrowings	F	80.59	51.76	132.35	350.04	3.92	353.96
ii) Lease liabilities	A	-	58.88	58.88	-	86.63	86.63
iii) Trade payables		285.54	-	285.54	372.44	-	372.44
iv) Other financial liabilities	H	-	56.40	56.40	-	156.51	156.51
Provisions		1.82	-	1.82	49.35	-	49.35
Other current liabilities	H	142.44	(55.83)	86.61	295.57	(6.46)	289.11
<b>Total current liabilities</b>		<b>510.39</b>	<b>111.21</b>	<b>621.60</b>	<b>1,067.40</b>	<b>240.60</b>	<b>1,308.00</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,062.85</b>	<b>446.21</b>	<b>1,509.06</b>	<b>1,578.26</b>	<b>755.31</b>	<b>2,333.58</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note



Handwritten signature or initials.



Bluestone Jewellery and Lifestyle Private Limited  
Notes to the financial statements for the year ended 31 March 2022  
(All amounts are in INR million unless otherwise stated)

42 Explanation of transition to Ind AS (Continued)

Reconciliation of total comprehensive income for the year ended 31 March 2021 and 31 March 2022

Particulars	Note	Year ended 31 March 2021		Ind AS
		Previous GAAP*	Adjustments on transition to Ind AS	
Revenue from operations	H	2,690.81	(245.25)	2,445.56
Other income	H	26.47	49.98	76.45
<b>Total Income</b>		<b>2,717.28</b>	<b>(195.27)</b>	<b>2,522.01</b>
<b>Expenses</b>				
Cost of raw materials consumed	H	1,890.31	(18.29)	1,872.02
Change in inventories of finished goods, work-in-progress and stock-in-trade	H	58.71	(226.99)	(168.27)
Employee benefits expense	D, G	224.68	3.23	227.92
Finance costs	B, E, F	14.10	80.28	94.38
Fair value loss on financial liabilities at fair value through profit or loss		1.79	-	1.79
Depreciation and amortization expense	A	36.77	94.64	131.40
Other expenses	H	628.52	49.08	677.60
<b>Total expenses</b>		<b>2,854.89</b>	<b>(18.05)</b>	<b>2,836.84</b>
<b>Loss before tax</b>		<b>(137.62)</b>	<b>(177.22)</b>	<b>(314.83)</b>
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
Income tax expense		-	-	-
<b>Loss for the year</b>		<b>(137.62)</b>	<b>(177.22)</b>	<b>(314.83)</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Remeasurements of defined benefit liability (asset)	G	-	0.57	0.57
<b>Other comprehensive income/ (loss)</b>		<b>-</b>	<b>0.57</b>	<b>0.57</b>
<b>Total comprehensive income/ (loss) for the year</b>		<b>(137.62)</b>	<b>(176.65)</b>	<b>(314.26)</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note

A Reconciliation of Equity

Particulars		As at 31 March 2021	As at 1 April 2020
Equity under previous GAAP attributable to the shareholders		280.20	264.11
Discounting of security deposits	B	(0.39)	(0.39)
Leases	A	(23.54)	(23.54)
Consolidation of ESOP trust at standalone level	D	(1.24)	(1.24)
Impact of reclassification of compulsorily convertible preference shares	E	(3,822.46)	(3,675.12)
Fair valuation of compulsorily convertible preference shares	E	(1,872.93)	(1,872.93)
Actuarial gains/losses reclassified to OCI	G	0.57	-
ESOP expenses on account of graded vesting		2.66	-
Impact on account of change in evaluation of control for revenue recognition	H	(91.94)	(91.94)
Effective interest on borrowings	F	(0.15)	(0.15)
Ind AS adjustment through Profit and Loss		(177.21)	-
<b>Equity under Ind AS attributable to the shareholders</b>		<b>(5,706.43)</b>	<b>(5,401.20)</b>



*[Handwritten signature]*



**B Reconciliation of Total Comprehensive Income**

Particulars	Note	Year ended 31 March 2021
<b>Loss as per previous GAAP</b>		<b>(137.62)</b>
Fair value loss on financial liabilities at fair value through profit or loss		(1.79)
Adjustments on account of change in evaluation of control for revenue recognition		(143.05)
Gratuity expense		(0.57)
ESOP expenses on account of graded vesting		(2.66)
Adjustments on account of INDAS 109		2.67
Adjustments for IndAS 116		(31.80)
<b>Loss for the year as per Ind AS (A)</b>		<b>(314.83)</b>
<b>Other Comprehensive Income (OCI):</b>		
Re-measurement gains on defined benefit plans		0.57
Income tax impact on above adjustments		-
Sub-total (B)		<b>0.57</b>
<b>Total Comprehensive loss as reported under Ind AS (A + B)</b>		<b>(314.26)</b>

**Notes to the reconciliations**

**A Leases**

Under IGAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognized as an operating expense in the Statement of Profit or Loss on a straight-line basis over the lease term. Under Ind AS 116, a lessee applies a single recognition and measurement approach for all leases and recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the date of transition to Ind AS, Ind AS 116 has been applied using the modified retrospective approach with effect from 1 April 2020 (i.e. the Company has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and a right-of-use asset at its carrying amount as if the standard had been applied since commencement of the lease, but discounted using the lessee's incremental borrowing rate at the date of 1 April 2020).

**B Discounting of security deposit**

Under previous GAAP, security deposits were recorded at their transaction value. Under Ind AS 32 and Ind AS 109, security deposit being a financial asset is recognized at their fair value. Accordingly, the Company has discounted these deposits for the respective lease period and difference between the discounted value (fair value) and the transaction value of security deposit has been recognized as prepaid rent. Under Ind AS 116, such prepaid lease rent is considered as a part of Right of use asset.

The interest income is recorded on the fair value of the security deposit at the interest rate which was used for discounting of the security deposit. The difference in rent expense and interest income have been adjusted with retained earnings as at the transition date of INR 0.39 Million.

**C Trade receivables - Expected credit loss model**

Under previous GAAP, the Company has created provision for impairment of receivables only in respect of specific amount for incurred losses. Under Ind AS, the Company has recognised impairment loss on trade receivables based on the expected credit loss model as required by Ind AS 109.

**D ESOP Trust**

The Company granted a loan to the trust for acquisition of its shares. Under the previous GAAP, the loan and equity shares were shown in the financial statements.

Under Ind AS, financial statements can be consolidated by an investor has control over an investee. If control is established, the entity can choose an accounting policy, to be applied consistently, as follows:

- a) Treat the trust as a branch/agent of the entity
- b) Account for the trust as a legal entity separate from the entity but as a subsidiary of the entity

A look-through approach may be appropriate when as a result of its investment in the trust, the sponsoring entity's only exposure is to the shares held by the trust. When the look through approach is applied to a trust holding the shares of the sponsoring entity, the shares are treated as "Treasury shares" and the trust is consolidated at a standalone level.

The Company has control over the trust. Accordingly, Bluestone can treat the trust as its branch/agent and consolidate it at a standalone level.

**E Compulsorily convertible preference shares**

The company had issued compulsorily convertible preference shares to the investors. Under the previous GAAP, compulsorily convertible preference shares (CCPS) issued to the investors were classified as equity and carried at transaction value. Under Ind AS, certain series of CCPS issued were reclassified as financial liability. On the transition date, this instrument is recorded at fair value and the difference between its fair value and the carrying amount as per previous GAAP is recognised in retained earnings. Subsequently, the changes in fair value are recorded in the Statement of Profit and Loss.



*(Handwritten signature)*



**Bluestone Jewellery and Lifestyle Private Limited**

**Notes to the financial statements for the year ended 31 March 2022**

(All amounts are in INR million unless otherwise stated)

**F Borrowings**

Under Indian GAAP, the Company recognised the borrowings at cost and the issue expenses were recognised as an expense in the period in which they were incurred. Under Ind AS, the liability is measured at amortised cost following effective interest rate method. The issue expenses are factored in the computation of effective interest rate and hence will get amortised over the period and not in the year in which they are incurred. On the date of transition to Ind AS, adjustment arising on account measuring financial liability at amortised cost has been recognised as an adjustment against the retained earnings.

**G Actuarial gain/losses**

Under previous GAAP, actuarial gains and losses were recognized in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognized in other comprehensive income. Consequently, the tax effect of the same has also been recognized in other comprehensive income under Ind AS instead of profit or loss.

**H Revenue**

Under previous GAAP, revenue from sale of goods under the franchise agreement was recognized at the time of sale of goods to the Franchisee. Under Ind AS, transfer of goods to the franchisee does not meet the definition of transfer of control. Thus, revenue cannot be recorded at the time of sale to franchisee and should be recognized only at the time of sale to ultimate customer.

43 The Company evaluated all events or transactions that occurred after March 31, 2022 up through 30 September, 2022, the date the financial statements are authorized for issue by the Board of Directors. The following are the major events that have occurred after the balance sheet date till the date of signing of financial statements that warrant a separate disclosure :-

1. The Company has raised Rs. 750 Million against issue of Series F 250,658 Compulsorily Convertible Preference Shares (CCPS) of ₹10 per CCPS at a premium of Rs 2,982.13 per CCPS and has raised Rs 100 Million in the form of non-convertible debentures.
2. The Company has increased its Authorised share capital from Rs. 8,54,09,300 (Rupees Eight Crores Fifty-Four Lakhs Nine Thousand Three Hundred Only) to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only).
3. The Company has issued Bonus shares at the ratio of 1:9 to its existing equity shareholders by capitalising Rs 19.24 Million out of its securities premium.
4. The Board of directors have approved settlement by liquidating all of the outstanding options granted under the Phantom Options scheme for cash at a liquidation price of Rs. 2,453.55 per option.
5. The ESOP pool is increased by additional 3,98,922 Options convertible into 3,98,922 Equity Shares of the Company and the total Options under ESOP 2014 stands at 7,48,433 Options.



for and on behalf of Board of directors of  
**Bluestone Jewellery and Lifestyle Private Limited**  
CIN: U72900KA2011PTC059678

**Gaurav Singh Kushwaha**  
Managing Director  
DIN No: 01674879  
Place: Bengaluru  
Date: 30 September 2022

**Sameer Dilip Nath**  
Director  
DIN No: 07551506  
Place: Bengaluru  
Date: 30 September 2022

**Rumit Dugar**  
Chief Financial Officer  
Place: Bengaluru  
Date: 30 September 2022

**Roopa Hegde**  
Company Secretary  
Place: Bengaluru  
Date: 30 September 2022

