

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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows 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, 2023, 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.



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Responsibilities of Management and Those Charged with Governance 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



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- 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 Statement of Cash flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements 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 with reference to financial statements.



- 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 has disclosed the impact of pending litigations on its financial position in note 32 of the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 40 (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, as disclosed in the note 40 (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.

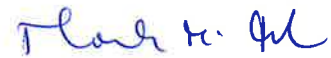
c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.



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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: 23047840BGUCSK2954

Bengaluru, September 30, 2023
MP/MS/AN/2023

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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 with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Bluestone Jewellery and Lifestyle Private Limited** ("the Company") as of March 31, 2023 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 with reference to financial statements 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 respective 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 with reference to financial statements 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 with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with respect to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with respect to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

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accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial controls with reference to financial statements 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.117366W/W-100018)

Monisha Parikh
Partner
(Membership No. 47840)
UDIN: 23047840BGUCSK2954

Bengaluru, September 30, 2023
2023/MP/MS/AN

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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 over 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 2023 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 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. 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.

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(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 Rs. million)	Details of discrepancies					Remarks
		Nature of current assets	Nature of discrepancy	Amount (in Rs. million)			
				Amount as per Quarterly returns and statements	As per unaudited books of accounts	Difference	
HDFC BANK		Inventory	Impact of Ind AS and book closure entries				Refer below*
30-Jun-22	300.00			1,389.63	1,389.57	0.05	
30-Sep-22				2,377.78	2,241.90	135.88	
31-Dec-22				2,189.12	2,228.54	(39.41)	
31-Mar-23				1,969.61	3,953.17	(1,983.56)	
ICICI BANK							
30-Jun-22	300.00			1,383.10	1,389.57	(6.47)	
30-Sep-22				2,340.90	2,241.90	99.00	
31-Dec-22				2,186.90	2,228.54	(41.64)	
31-Mar-23				1,955.70	3,953.17	(1,997.47)	

*Inventory at franchisee locations is considered as inventory of the Company as at the year end in accordance with the applicable Indian Accounting Standards. Franchisees have the ability to obtain credit on such inventory and hence, such inventory is not included in the statements submitted by the Company to the banks

- (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.

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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, 2023.

- (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, 2023.
- (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, 2023 (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	0.46	3	-	-	3.33	0.46	Due to processing delays. Amount repaid with default interest.
		3.33	0.45	2	-	-	3.33	0.45	
		3.33	0.18	1	-	-	3.33	0.18	
		3.33	0.15	1	-	-	3.33	0.15	
	Klub Works Private	-	0.10	4	-	-	-	0.10	
		-	0.06	4	-	-	-	0.06	
	Oxyzo Financial Services Private Limited	-	0.92	4	-	-	-	0.92	
		-	0.28	2	-	-	-	0.28	
		-	1.68	1	-	-	-	1.68	

- (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 from financial institutions 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.

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- (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 raised moneys by way of initial public offer or further public offer (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 and upto the date of our report.
- (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.
 - (b) We have considered, the internal audit reports issued to the Company after the balance sheet date and covering the period from January 01, 2022 to March 31, 2023
- (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.



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- (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. 1055.50 million during the financial year covered by our audit and Rs. 299.16 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.0080725)



Monisha Parikh
Partner
(Membership No. 47840)
UDIN: 23047840BGUCSK2954

Bengaluru, September 30, 2023
2023/MP/MS/AN

Bluestone Jewellery and Lifestyle Private Limited
 CIN: U72900KA2011PTC059678
 Balance Sheet as at 31 March 2023
 (All amounts are in INR million unless otherwise stated)

Particulars	Notes	As at	
		31 March 2023	31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3	853.38	288.94
Right of use assets	6	3,590.00	1,856.76
Capital work-in-progress	4	8.01	2.88
Other intangible assets	5	2.91	4.92
Financial assets			
i) Other financial assets	7.4	216.26	102.74
Non-current tax assets (net)	8	12.72	7.45
Deferred tax assets (net)	9	-	-
Other non-current assets	10	661.65	339.40
Total non-current assets		5,344.93	2,603.09
Current assets			
Inventories			
Financial assets	11	3,953.17	1,661.23
i) Loans			
ii) Trade receivables	7.1	12.07	9.08
iii) Cash and cash equivalents	7.2	10.64	49.98
iv) Bank balances other than (iii) above	7.3 A	271.00	87.12
v) Other financial assets	7.3 B	2,318.61	924.50
Other current assets	7.4	521.96	167.97
	10	122.49	106.03
Total current assets		7,209.94	3,005.91
Total assets		12,554.87	5,609.00
Equity and liabilities			
Equity			
Equity share capital	12	92.29	9.98
Other equity	13	(810.55)	(18,372.31)
Total Equity		(718.26)	(18,362.33)
Non-current liabilities			
Financial liabilities			
i) Borrowings			
ii) Lease liabilities	14.1 A	442.19	18,360.85
iii) Other financial liabilities	14.4	3,318.98	1,754.40
Provisions	14.5	1,610.63	675.03
	15	45.79	33.02
Total non-current liabilities		5,417.59	20,823.30
Current liabilities			
Financial liabilities			
i) Borrowings			
ii) Gold on loan	14.1 B	1,841.99	136.08
iii) Lease liabilities	14.2	2,212.42	828.48
iv) Trade payables	14.4	410.33	191.35
(a) Total outstanding dues of micro enterprises and small enterprises	14.3	130.95	133.23
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	14.3	652.82	600.22
v) Other financial liabilities	14.5	1,563.99	466.09
Provisions	15	3.22	271.47
Other current liabilities	16	1,039.82	521.11
Total current liabilities		7,855.54	3,148.03
Total liabilities		13,273.13	23,971.33
Total equity and liabilities		12,554.87	5,609.00

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: 0080725)

Monisha Parikh
 Partner
 (Membership No: 47840)
 Place: Bengaluru
 Date: September 30, 2023



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: September 30, 2023

Sameer Dilip Nath
 Director
 DIN No: 07551506
 Place: Mumbai
 Date: September 30, 2023

Rumit Dugar
 Chief Financial Officer
 Place: Mumbai
 Date: September 30, 2023



Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	17	7,707.26	4,613.58
Other income	18	171.68	153.13
Total income		7,878.94	4,766.71
Expenses			
Cost of raw materials consumed	19	7,176.00	3,805.25
Change in inventories of finished goods, work-in-progress and stock-in-trade	20	(1,924.79)	(680.55)
Employee benefits expense	21	911.96	417.56
Finance costs	22	669.61	187.67
Fair value loss on financial liabilities at fair value through profit or loss	12(c)	-	12,093.23
Depreciation and amortization expense	23	616.94	220.69
Other expenses	24	2,101.66	1,335.94
Total expenses		9,551.38	17,379.79
Loss before tax		(1,672.44)	(12,613.08)
Tax expenses:			
Current tax	26 A	-	-
Deferred tax charge	26 E	-	71.01
Income tax expenses			71.01
Loss for the year	A	(1,672.44)	(12,684.09)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
i. Re-measurement of defined benefit liability/ (asset)	25	1.41	0.17
ii. Income tax on (i) above		-	-
Net other comprehensive income for the year, net of tax	B	1.41	0.17
Total comprehensive loss for the year	A+B	(1,671.03)	(12,683.92)
Earnings per share (in INR) (Nominal value of INR 1 each)			
Basic	28	(92.14)	(698.77)
Diluted	28	(92.14)	(698.77)
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: September 30, 2023



for and on behalf of Board of directors of
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CIN: U72900KA2011PTC059678

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Gaurav Singh Kushwaha
Managing Director
DIN No: 01674879
Place: Bengaluru
Date: September 30, 2023

Sameer Dilip Nath
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Director
DIN No: 07551506
Place: Mumbai
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Rumit Dugar
Chief Financial Officer
Place: Mumbai
Date: September 30, 2023



Bluestone Jewellery and Lifestyle Private Limited
CIN: U72900KA2011PTC059678
Statement of cash flows for the year ended 31 March 2023
(All amounts are in INR million unless otherwise stated)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flows from operating activities		(1,672.44)	(12,613.08)
Loss before tax			
<i>Adjustments for non cash items and other adjustments :</i>			
Depreciation and amortisation	23	616.94	220.69
Expense on employee stock option scheme	21	194.47	27.12
Finance costs	22	653.25	107.52
Interest income	18	(97.86)	(30.41)
Fair value loss on financial liabilities at fair value through profit or loss	22	-	12,093.23
Issue related expenses	24	-	1.52
(Profit)/Loss on sale of property, plant and equipment (net)	18	3.94	(1.49)
Provision for expected credit loss	24	0.96	1.86
Advances written off	24	-	8.71
Bad trade receivables written off	24	-	0.34
Provision for contingencies	18, 24	-	(47.12)
Provision for balance with Government authorities	24	72.18	-
Rent waiver on lease liabilities	18	(0.09)	(13.83)
Liabilities no longer required written back	18	(55.00)	(46.17)
Gain on termination of lease	18	(5.55)	(3.71)
Unwinding of interest on financial assets carried at amortised cost	18	(11.32)	(7.09)
Operating loss before working capital changes		(300.52)	(301.91)
Working capital adjustments :			
(Increase)/ decrease in inventories		(2,291.94)	(1,007.22)
(Increase)/ decrease in trade receivables		38.38	(28.93)
(Increase)/ decrease in loans		(2.99)	0.23
(Increase)/ decrease in other financial assets		(534.80)	(176.68)
(Increase)/ decrease in other assets		(410.90)	(249.53)
Increase / (decrease) in trade payables		50.32	361.01
Increase / (decrease) in gold on loan		1,383.94	493.44
Increase / (decrease) in other financial liabilities		2,025.35	764.44
Increase / (decrease) in provisions		(253.92)	168.71
Increase / (decrease) in other current liabilities		573.70	232.03
Cash generated from operating activities before taxes		276.61	255.59
Income tax paid (net)		(5.27)	(4.85)
Net cash generated from operating activities (A)		271.35	250.74
B. Cash flows from investing activities			
(Purchase)/ Redemption of deposits accounts with maturity more than 12 months		(1,394.11)	(514.58)
Purchase of property, plant and equipment, including intangible assets and capital advances		(900.74)	(286.66)
Proceeds from sale of property, plant and equipment		189.54	64.22
Interest received on fixed deposits		57.01	23.19
Net cash flows used in investing activities (B)		(2,048.30)	(713.83)
C. Cash flows from financing activities			
Interest paid (Refer note b(i) below)		(434.10)	(33.55)
Proceeds from issue of equity shares		90.20	0.89
Proceeds from issue of preference shares (Refer note b(ii) below)		756.99	473.50
Proceeds from non current borrowings (Refer note b (i) below)		1,162.50	144.61
Proceeds from current borrowings (Refer note b(i) below)		963.19	75.83
Repayment of borrowings (Refer note b(i) below)		(65.01)	(56.70)
Repayment of lease liability (Refer note b(iii) below)		(512.93)	(150.78)
Net cash from financing activities (C)		1,960.84	453.80
Net increase/(decrease) in cash and cash equivalents (A+B+C)		183.88	(9.29)
Cash and cash equivalents at the beginning of the year		87.12	96.41
Cash and cash equivalents at the end of the year (Note 7.3A)		271.00	87.12



Bluestone Jewellery and Lifestyle Private Limited
 CIN: U72900KA2011PTC059678
 Statement of cash flows for the year ended 31 March 2023
 (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, 2021	Non cash changes			Cashflows	March 31, 2022
		Fair value changes	Finance cost accrued during the year	Additions (Net)		
i) Borrowings	57.02	-	29.30	-	130.19	216.51
ii) Preference shares classified as financial liability	5,697.18	12,109.74	-	-	473.50	18,280.42
iii) Lease liabilities	668.30	1,350.25	77.98	-	(150.78)	1,945.75
iv) Issue of Equity shares	-	-	-	-	0.89	-

Particulars	April 01, 2022	Non cash changes			Cashflows	March 31, 2023
		Fair value changes	Finance cost accrued during the year	Additions (Net)		
i) Borrowings	216.51	-	434.10	-	1,626.57	2,277.19
ii) Preference shares classified as financial liability	18,280.42	(18,280.42)	-	-	-	-
iii) Lease liabilities	1,945.75	2,085.50	210.99	-	(512.93)	3,729.31
iv) Issue of Preference shares	-	-	-	-	756.99	-
v) Issue of Equity shares	-	-	-	-	90.20	-

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: September 30, 2023



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 Rumit Dugar
 Chief Financial Officer
 Place: Mumbai
 Date: September 30, 2023



Bluestone Jewellery and Lifestyle Private Limited
 CIN: U72900KA2011PTC059678
 Statement of changes in equity for the year ended 31 March 2023
 (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 2021		922,129	0.92
Changes in equity share capital during the year	12 (a)	893,063	0.90
As at 31 March 2022		1,815,192	1.82
Changes in equity share capital during the year	12 (a)	16,336,728	16.34
As at 31 March 2023		18,151,920	18.16

Preference shares of INR 10 each, fully paid up

	Note	Number	Amount
As at 1 April 2021		816,503	8.16
Changes in preference share capital during the year	12 (a)	-	-
As at 31 March 2022		816,503	8.16
Changes in preference share capital during the year	12 (a)	6,597,244	65.97
As at 31 March 2023		7,413,747	74.13

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 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
Reclassification of Compulsorily convertible preference shares as financial liability (Refer note 12 (c))	(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)
As at 1 April 2022	492.23	(19,076.06)	208.88	2.64	(18,372.31)
Loss for the year	-	(1,672.44)	-	-	(1,672.44)
Other comprehensive income (net of tax)	-	-	-	1.41	1.41
Premium received on issue of shares	844.58	-	-	-	844.58
Options granted during the year	-	-	194.47	-	194.47
Reclassification of Compulsorily convertible preference shares as equity (Refer note 12(c))	18,210.08	-	-	-	18,210.08
Utilisation for issue of Bonus shares	(16.34)	-	-	-	(16.34)
	19,038.32	(1,672.44)	194.47	1.41	17,561.75
As at 31 March 2023	19,530.55	(20,748.50)	403.35	4.05	(810.55)

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: September 30, 2023



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 Chief Financial Officer
 Place: Mumbai
 Date: September 30, 2023



Bluestone Jewellery and Lifestyle Private Limited

CIN: U72900KA2011PTC059678

Notes to the financial statements for the year ended 31 March 2023

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.

These financial statements were authorised for issue by the Company's Board of Directors as on 30 September, 2023.

(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) Going Concern

The Company has incurred losses of Rs 1,672.44 Million during the current year (March 31, 2022 Rs 12,684.09) and has accumulated losses aggregating to Rs. 20,748.50 Million as at March 31, 2023 (March 31, 2022 Rs 19,076.06 Million). Further, the current liabilities exceed its current assets by Rs. 645.30 Million as at March 31, 2023 (March 31, 2022 Rs 142.12 Million).

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 raised funds as under:

- a) Rs. 3,500 Million against issue of 0.1% Series G 11,114,992 Compulsorily Convertible Preference Shares (CCPS) of ₹10 per CCPS at a premium of Rs. 304.89 per CCPS
- b) Rs. 1,940 million against issue of non-convertible debentures
- c) Rs. 200 million through working capital loan
(refer note 42).

Accordingly, it is considered appropriate to prepare these financial statements on a going concern basis.

(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.

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
- f) Fair value of employee stock option plans - Note 30

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.

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.



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.

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.

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.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.

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

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.

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.

ECL impairment loss allowance (or reversal) is recognised as an income/expense in the statement of profit and loss during the period.



(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.



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.



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.



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2.20 Recent accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to the Company from April 1, 2023-

- i. Ind AS 101 – First time adoption of Ind AS
- ii. Ind AS 102 – Share-based payment
- iii. Ind AS 103 – Business Combinations
- iv. Ind AS 107 – Financial Instruments: Disclosures
- v. Ind AS 109 – Financial Instruments
- vi. Ind AS 115 – Revenue from Contracts with Customers
- vii. Ind AS 1 – Presentation of Financial Statements
- viii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- ix. Ind AS 12 – Income Taxes
- x. Ind AS 34 – Interim Financial Reporting

The Company is in the process of evaluating the impact of the above amendments on the Company's financial statements.



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(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
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
Balance as at 31 March 2022	135.79	26.72	41.43	50.26	83.22	25.74	0.70	363.86
Balance as at 1 April 2022	135.79	26.72	41.43	50.26	83.22	25.74	0.70	363.86
Additions	329.20	-	17.01	145.13	345.17	59.09	-	895.60
Disposals	96.90	-	-	30.39	73.95	8.34	-	209.58
Balance as at 31 March 2023	368.09	26.72	58.44	165.00	354.44	76.49	0.70	1,049.88

Accumulated depreciation

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
Balance as at 31 March 2022	28.09	17.01	3.40	5.02	16.83	4.23	0.34	74.92
Balance as at 1 April 2022	28.09	17.01	3.40	5.02	16.83	4.23	0.34	74.92
Depreciation expense for the year	49.91	5.42	4.92	13.79	51.78	11.68	0.17	137.67
Disposals	7.82	-	-	1.42	5.80	1.05	-	16.09
Balance as at 31 March 2023	70.18	22.43	8.32	17.39	62.81	14.86	0.51	196.50
Carrying amount (net)								
At 31 March 2022	107.70	9.71	38.03	45.24	66.39	21.51	0.36	288.94
At 31 March 2023	297.91	4.29	50.12	147.61	291.63	61.63	0.19	853.38

1. 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.



4 Capital work in progress

Particulars	As at	As at
	31 March 2023	31 March 2022
Tangible	8.01	2.88
Total	8.01	2.88

CWIP ageing schedule:

Particulars	As at	As at
	31 March 2023	31 March 2022
Projects in progress		
Less than 1 year	8.01	2.88
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	8.01	2.88
Projects temporarily suspended		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	8.01	2.88

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
Balance as at 1 April 2021	5.31	5.31
Additions	3.93	3.93
Disposals	-	-
Balance as at 31 March 2022	9.24	9.24
Balance as at 1 April 2022	9.24	9.24
Additions	-	-
Disposals	-	-
Balance as at 31 March 2023	9.24	9.24

Accumulated amortization

Balance as at 1 April 2021	1.96	1.96
Amortization expense for the year	2.36	2.36
Disposals	-	-
Balance as at 31 March 2022	4.32	4.32
Balance as at 1 April 2022	4.32	4.32
Amortization expense for the year	2.01	2.01
Disposals	-	-
Balance as at 31 March 2023	6.33	6.33

Carrying amount (net)

Balance as at 31 March 2022	4.92	4.92
Balance as at 31 March 2023	2.91	2.91

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



6 Leases

Lessee has applied 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.

A. Following are the carrying value of right of use assets for the years ended 31 March 2022 and 31 March, 2023:

Particulars	Right of Use buildings	Total
Cost		
Balance as at 1 April 2021	727.39	727.39
Additions	1,424.06	1,424.06
Disposal/adjustments	(26.30)	(26.30)
Balance as at 31 March 2022	2,125.15	2,125.15
Balance as at 1 April 2022	2,125.15	2,125.15
Additions	2,246.06	2,246.06
Disposal/adjustments	(35.56)	(35.56)
Balance as at 31 March 2023	4,335.65	4,335.65
Accumulated depreciation		
Accumulated depreciation as at 1 April 2021	94.64	94.64
Charge for the year	173.75	173.75
Deletions	-	-
Balance as at 31 March 2022	268.39	268.39
Accumulated depreciation as at 1 April 2022	268.39	268.39
Charge for the year	477.26	477.26
Deletions	-	-
Balance as at 31 March 2023	745.65	745.65
Net carrying amount as at 31 March 2022	1,856.76	1,856.76
Net carrying amount as at 31 March 2023	3,590.00	3,590.00



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(All amounts are in INR million unless otherwise stated)

B. Following are Lease Liabilities for the years ended 31 March, 2022 and 31 March, 2023:

Particulars	As at	As at
	31 March 2023	31 March 2022
Opening balance	1,945.75	668.30
Additions	2,126.61	1,394.09
Termination	(41.11)	(30.01)
Accretion of interest	210.99	77.98
Payments (including rent concessions refer note D below)	(512.84)	(164.61)
Closing balance	3,729.40	1,945.75

Particulars	As at	As at
	31 March 2023	31 March 2022
Current	410.33	191.35
Non-Current	3,319.06	1,754.40
Total	3,729.39	1,945.75

Refer Statement of cash flows for total cash outflow on account of lease payments during the years ended 31 March 2023 and 31 March 2022.

Following are the contractual maturities of lease liabilities as at 31 March 2023 and 31 March 2022 on an undiscounted basis:

Particulars	As at	As at
	31 March 2023	31 March 2022
Not later than one year	667.01	333.50
Later than one year but within five years	2,609.71	1,334.76
Later than five years	1,598.50	921.78
Total	4,875.22	2,590.04

C. Following are expenses recognised in Statement of Profit and Loss for the years ended 31 March 2022 and 31 March 2023:

Particulars	As at	As at
	31 March 2023	31 March 2022
Depreciation expense on Right of Use asset	477.26	173.75
Interest expense on lease liabilities	210.99	77.98
Rent expenses related to short term leases	30.21	41.46
Total expense recognised in Statement of Profit and Loss	718.46	293.19

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 0.09 million in the financial statements for the year ended 31 March 2023 (INR 13.83 Million for the year ended 31 March 2022) as reduction of rent expenses grouped under other expenses on account of rent concessions received.



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7.1 Loans

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Unsecured		
Advances to employees- considered good	12.07	9.08
Advances to employees- considered doubtful	0.13	0.13
Less: Provision for doubtful advances	(0.13)	(0.13)
Total	12.07	9.08

7.2 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Unsecured		
Trade receivables - considered good	10.64	49.98
Trade receivables - credit impaired	3.20	2.23
	13.84	52.21
Less: Provision for expected credit loss	(3.20)	(2.23)
Total	10.64	49.98

Trade receivables Ageing Schedule- Gross

Ageing as at March 31, 2023

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	10.64	-	-	-	-	10.64
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	3.20	-	-	-	3.20
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	10.64	3.20	-	-	-	13.84

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	-	-	-	-	-	-
Total	48.62	1.52	2.07	-	-	52.21



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Notes to the financial statements for the year ended 31 March 2023

(All amounts are in INR million unless otherwise stated)

7.3 Cash and bank balances		
Particulars	As at 31 March 2023	As at 31 March 2022
7.3 A Cash and cash equivalents	7.95	4.39
Cash on hand		
Balances with banks	10.26	9.82
- in current accounts	252.79	72.91
- in bank deposits (with original maturity of 3 months or less)		
Total cash and cash equivalents	271.00	87.12
7.3 B Other bank balances	2,307.69	913.58
Fixed deposit accounts with bank (original maturity more than 3 months but less than 12 months)*		
Margin money deposits **	10.92	10.92
Total other bank balances	2,318.61	924.50

*Includes deposits given as security against gold loan (Rs 2,250.42 Million, March 31, 2022 - Rs 842.71 Million)

**Represents deposits given as security against bank guarantee.

7.4 Other financial assets		
Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Rental and other deposits	216.26	102.74
Total	216.26	102.74
Current		
Rental and other deposits	88.45	56.99
Interest accrued but not due on fixed deposits with banks	55.34	14.49
Other receivables:		
Unsecured, considered good	378.17	96.49
Unsecured, considered doubtful	1.71	1.71
Less: Provision for other receivables	(1.71)	(1.71)
Total	521.96	167.97
Total other financial assets	738.22	270.71

8 Non-current tax assets (net)		
Particulars	As at 31 March 2023	As at 31 March 2022
Advance income tax (Net of provision for tax - Nil, 31 March 2022- Nil)	12.72	7.45
Total Non-current tax assets (net)	12.72	7.45



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9 Deferred tax assets (net)		
Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets (Refer Note 26B)	-	-
Total Deferred tax assets (net)	-	-

10 Other assets		
Particulars	As at 31 March 2023	As at 31 March 2022
<i>Other non-current assets</i>		
Balance with Government authorities		
i) Unsecured, considered good	661.65	339.40
ii) Unsecured, considered doubtful	168.75	99.80
Less: Provision for doubtful balances with Government authorities	(168.75)	(99.80)
Total	661.65	339.40
<i>Other current assets</i>		
Advance to suppliers	99.27	99.64
Prepaid expenses	23.22	6.39
Total	122.49	106.03

11 Inventories		
Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	837.54	480.18
Work-in-progress	87.94	1.05
Finished goods	3,013.82	1,175.92
Packing materials	13.87	4.08
Total	3,953.17	1,661.23

Amount of inventories recognised as an expense/(income) is NIL (31 March 2022- Nil).

Write-down/(reversal of write-down of earlier years) of the inventories to net realisable value amounted to NIL (31 March 2022- Nil)



12 Share capital Particulars	As at	
	31 March 2023	31 March 2022
Authorized share capital		
Equity shares	68.29	3.70
68,290,700 Equity shares of Rs. 1 each (as at March 31, 2022: 3,700,000)		
Compulsorily Convertible Preference Shares		
609,594 CCPS of Series A of Rs. 10 each (as at March 31, 2022: 609,594)	6.10	6.10
186,982 CCPS of Series B of ₹10 each, (as at March 31, 2022: 186,982)	1.87	1.87
88,624 CCPS of Series B1 of ₹10 each, (as at March 31, 2022: 88,624)	0.89	0.89
1,339,659 CCPS of Series B2 of ₹10 each, (as at March 31, 2022: 1,339,659)	13.40	13.40
128,207 CCPS of Series B3 of ₹10 each, (as at March 31, 2022: 128,207)	1.28	1.28
1,417,252 CCPS of Series C of ₹10 each, (as at March 31, 2022: 1,417,252)	14.17	14.17
1,980,112 CCPS of Series D of ₹10 each, (as at March 31, 2022: 1,980,112)	19.80	19.80
625,000 CCPS of Series D1 of ₹10 each, (as at March 31, 2022: 625,000)	6.25	6.25
600,000 CCPS of Series D2 of Rs. 10 each (as at March 31, 2022: 600,000)	6.00	6.00
300,000 CCPS of Series D3 of ₹10 each, (as at March 31, 2022: 300,000)	3.00	3.00
169,122 CCPS of Series E of ₹10 each, (as at March 31, 2022: 153,496)	1.69	1.69
7,292 CCPS of Series E1 of ₹10 each, (as at March 31, 2022: 7,292)	0.07	0.07
395,840 CCPS of Series E2 of ₹10 each, (as at March 31, 2022: 394,240)	3.96	3.96
323,246 CCPS of Series F of ₹10 each, (as at March 31, 2022: 323,246)	3.23	3.23
	150.00	85.41
Issued, subscribed and paid-up share capital		
Equity share capital issued		
18,151,940 Equity shares of Rs. 1 each, fully paid up (as at March 31, 2022: 1,815,192)	18.16	1.82
	18.16	1.82
Equity component of Compulsorily Convertible Preference Shares (CCPS)		
609,594 Series A CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: 457,246)	6.09	4.57
186,982 Series B CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	1.87	-
88,624 Series B1 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	0.89	-
1,339,659 Series B2 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	13.40	-
128,207 Series B3 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	1.28	-
1,417,252 Series C CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	14.17	-
1,940,933 Series D CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	19.41	-
416,865 Series D1 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	4.17	-
359,257 Series D2 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: 359,257)	3.59	3.59
110,754 Series D3 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	1.11	-
153,495 Series E CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	1.53	-
15,626 Series E1 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	0.15	-
395,840 Series E2 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	3.96	-
250,658 Series F CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	2.51	-
	92.29	9.98
Total share capital		
	92.29	9.98
Total share capital		
	92.29	9.98

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 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
I Equity shares				
Balance at the beginning of the year	1,815,192	1.82	922,129	0.92
Shares issued during the year (Refer Note 12(d))	16,336,728	16.34	893,063	0.90
Total Equity shares at the end of the year	18,151,920	18.16	1,815,192	1.82
II Compulsorily Convertible Preference Shares (CCPS)				
Series A				
At the beginning of the year	457,246	4.57	457,246	4.57
Reclassification from Liability to Equity (Refer note 12 (c) below)	152,348	1.52	-	-
Total	609,594	6.09	457,246	4.57



Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Series B				
At the beginning of the year				
Reclassification from Liability to Equity (Refer note 12 (c) below)	186,982	1.87		
Total	186,982	1.87		
Series B1				
At the beginning of the year				
Reclassification from Liability to Equity (Refer note 12 (c) below)	88,624	0.89		
Total	88,624	0.89		
Series B2				
At the beginning of the year				
Reclassification from Liability to Equity (Refer note 12 (c) below)	1,339,659	13.40		
Total	1,339,659	13.40		
Series B3				
At the beginning of the year				
Reclassification from Liability to Equity (Refer note 12 (c) below)	128,207	1.28		
Total	128,207	1.28		
Series C				
At the beginning of the year				
Reclassification from Liability to Equity (Refer note 12 (c) below)	1,417,252	14.17		
Total	1,417,252	14.17		
Series D				
At the beginning of the year				
Reclassification from Liability to Equity (Refer note 12 (c) below)	1,940,933	19.41		
Total	1,940,933	19.41		
Series D1				
At the beginning of the year				
Reclassification from Liability to Equity (Refer note 12 (c) below)	416,865	4.17		
Total	416,865	4.17		
Series D2				
At the beginning of the year	359,257	3.59	359,257	3.59
Reclassification from Liability to Equity (Refer note 12 (c) below)	359,257	3.59	359,257	3.59
Total				
Series D3				
At the beginning of the year				
Reclassification from Liability to Equity (Refer note 12 (c) below)	110,754	1.11		
Issued during the year				
Total	110,754	1.11		
Series E				
At the beginning of the year				
Reclassification from Liability to Equity (Refer note 12 (c) below)	153,496	1.53		
Issued during the year				
Total	153,496	1.53		
Series E1				
At the beginning of the year				
Reclassification from Liability to Equity (Refer note 12 (c) below)	15,626	0.15		
Issued during the year				
Total	15,626	0.15		
Series E2				
At the beginning of the year				
Reclassification from Liability to Equity (Refer note 12 (c) below)	395,840	3.96		
Issued during the year				
Total	395,840	3.96		



Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Series F				
At the beginning of the year				
Reclassification from Liability to Equity (Refer note 12 (c) below)	250,658	2.51		
Issued during the year	250,658	2.51		
Total				
Total Share Capital	25,565,667	92.28	2,631,695	9.98

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, was 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 were 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) as at March 31, 2022.

During the year ended March 31, 2023, the CCPS holders of Series A (partly), B, B1, B2, B3, C, D, D1, D3 and E and including the new Series F (which was issued during the year) have waived the right of buy back contained in the agreements and the CCPS holders of Series E2 have agreed a fixed conversion of 0.5 equity shares for every 1 CCPS held. Accordingly, the instruments under these agreements have been reclassified from financial liability to equity. Consequently, CCPS and securities premium have been credited by Rs. 63.47 million and Rs. 18,216.96 million respectively with a corresponding debit to borrowings (disclosed under financial liabilities) by Rs. 18,280.43 million.



12(d) During the year ended March 31, 2023 The Company has issued 16,336,728 Bonus shares at the ratio of 1:9 to its existing equity shareholders by capitalising amount of Rs 16.24 Million out of its securities premium.

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

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares held	% holding	Number of shares held	% holding
Equity Shares				
Ganesh K	2,092,980	12%	209,296	12%
Gaurav Singh Kushwaha	13,950,000	77%	1,395,000	77%
Srinivas Anumolu	2,092,960	11%	209,296	11%
Others	16,000	0%	1,600	0%
Total	18,151,940	100%	1,815,192	100%
CCPS				
Series A				
Accel India III (Mauritius) Ltd	457,246	75%	457,246	100%
Saama Capital II Limited	53,134	9%	-	-
Hero Enterprise Partner Ventures	99,214	16%	-	-
Series B				
Accel India III (Mauritius) Ltd	93,491	50%	-	-
Saama Capital II Limited	93,491	50%	-	-
Series B1				
Saama Capital II Limited	88,624	100%	-	-
Series B2				
Kalaari Capital Partners II, LLC	822,621	61%	-	-
ACCEL India III (Mauritius) Ltd	307,149	23%	-	-
Saama Capital II Limited	57,969	4%	-	-
Hero Enterprise Partner Ventures	151,920	11%	-	-
Series B3				
Accel India III (Mauritius) Ltd	128,207	100%	-	-
Series C				
Accel India III (Mauritius) Ltd	552,329	39%	-	-
IvyCap Ventures Trust – Fund 1	312,595	22%	-	-
Kalaari Capital Partners II, LLC	220,971	16%	-	-
Accel India III (Mauritius) Ltd	138,107	10%	-	-
DF International Private Partners	110,386	8%	-	-
Saama Capital II Ltd	82,864	6%	-	-
Series D				
IIFL SEED VENTURES FUND I				
Kalaari Capital Partners II, LLC	161,786	8%	-	-
Accel Growth III Holdings (Mauritius) Ltd	161,786	8%	-	-
Accel India III (Mauritius) Ltd	242,679	13%	-	-
RB Investment Pte Limited	242,579	12%	-	-
Vistra ITCL (India) Limited	161,686	8%	-	-
Iron Pillar Fund I Ltd	340,754	18%	-	-
Kalaari Capital Partners Opportunity Fund, LLC	161,686	8%	-	-
Iron Pillar Fund I India	328,457	17%	-	-
Hero Enterprise Partner Ventures	139,520	7%	-	-
Series D1				
Kalaari Capital Partners II, LLC	33,207	8%	-	-
Accel India III (Mauritius) Ltd	66,413	16%	-	-
Vistra ITCL (India) Limited	53,130	13%	-	-
Iron Pillar Fund I Ltd	66,413	16%	-	-
RB Investment Pte Limited	67,715	16%	-	-
Hero Enterprise Partner Ventures	102,841	25%	-	-
Fermont Capital LLC	16,829	4%	-	-
Gaurav Deepak	10,317	2%	-	-
Series D2				
Accel India III (Mauritius) Ltd	128,304	36%	128,304	32%
Saama Capital II Limited	26,043	7%	26,043	6%
Vistra ITCL (India) Limited	31,251	9%	31,251	8%
Iron Pillar Fund I Ltd	127,614	36%	127,614	31%
IIFL SEED VENTURES FUND I	-	0%	15,626	4%
RB Investment Pte Limited	15,626	4%	15,626	4%
Hero Enterprise Partner Ventures	15,626	4%	-	0%
Kalaari Capital Partners II, LLC	14,793	4%	14,793	4%
Series D3				
Avanz EM Partnerships Fund II, SPC	24,494	23%	-	-
Hero Enterprise Partner Ventures	86,260	78%	-	-



Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	Number of shares held	% holding	Number of shares held	% holding
Series E				
Accel India III (Mauritius) Ltd	59,037	38%	-	-
Saama Capital II Ltd	7,872	5%	-	-
Kalaari Capital Partners II, LLC	11,807	8%	-	-
Accel Growth III Holdings (Mauritius) Ltd	39,358	26%	-	-
Vistra ITCL (India) Limited, Trustee of IVYCAP VENTURES TRUST – FUND 2	7,872	5%	-	-
Iron Pillar Fund I Ltd	11,807	8%	-	-
IIFL SEED VENTURES FUND I	-	-	-	-
Hero Enterprise Partner Ventures	15,743	10%	-	-
Series E1				
Raveen Shastri	15,626	100%	-	-
Series E2				
Accel India III (Mauritius) Ltd	125,000	32%	-	-
Saurabh Mehta	8,334	2%	-	-
Esha Parnami	8,334	2%	-	-
Ganesh Krishnan	16,668	4%	-	-
Ashoka Pte Ltd	125,000	32%	-	-
Japonica Holdings Pte. Ltd.	62,500	16%	-	-
Brainstorm Capital	16,668	4%	-	-
Nitin Rajput	16,668	4%	-	-
SAMA Family Trust	16,668	4%	-	-
Series F				
Hero Enterprise Partner Ventures	250,658	100%	-	-

12 (f) Shareholding of promoters:

Particulars	As at	As at
	31 March 2023	31 March 2022
Equity shares of Re 1 each		
	No. of shares held	-
	% of shares held	-
	% change during the year	-

Note :

During the year, 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, March 31, 2021 and 2020 and 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.



13 Other equity		As at	
		31 March 2023	31 March 2022
Particulars			
Securities premium	(i)	19,530.55	492.23
Retained earnings	(ii)	(20,748.50)	(19,076.06)
Employee Stock Options Outstanding	(iii)	403.35	208.88
Items of Other Comprehensive Income	(iv)	4.05	2.64
Total other equity		(810.55)	(18,372.31)
(i) Securities premium			
		As at	As at
		31 March 2023	31 March 2022
Particulars			
Opening balance		492.23	492.23
Premium received on issue of shares		844.58	485.89
Less: Impact due to Ind AS adjustments		(6.88)	(485.89)
Add: Reclassification from Liability to Equity (Refer note 12 (c))		18,216.96	-
Less: Utilization on issue of Bonus Shares (Refer Note 12(d))		(16.34)	-
Closing balance		19,530.55	492.23
(ii) Retained earnings			
		As at	As at
		31 March 2023	31 March 2022
Particulars			
Opening balance		(19,076.06)	(6,391.97)
Add: Profit/(Loss) during the year		(1,672.44)	(12,684.09)
Closing balance		(20,748.50)	(19,076.06)
(iii) Employee Stock Options Outstanding			
		As at	As at
		31 March 2023	31 March 2022
Particulars			
Opening balance		208.88	181.76
Add: Options granted during the year		194.47	27.12
Closing balance		403.35	208.88
(iv) Items of Other Comprehensive Income			
		As at	As at
		31 March 2023	31 March 2022
Particulars			
Opening balance		2.64	2.47
Actuarial Gain on remeasurement of defined benefit liability (net of tax)		1.41	0.17
Closing balance		4.05	2.64
Total other equity		(810.55)	(18,372.31)

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.



14 Financial liabilities

14.1 A Borrowings

Particulars	As at	As at
	31 March 2023	31 March 2022
Non-Current		
<i>Secured, measured at amortised cost</i>		
Term Loans from Banks and Financial institutions (refer note (a) below)	1,238.18	140.68
Less : Current maturities of long-term debt (refer note 14.1 B)	(802.97)	(60.25)
	435.20	80.43
<i>Unsecured, measured at FVTPL</i>		
Liability component of Compulsorily Convertible Preference Shares (Refer note 12 (a) II and 12 (c))		
Compulsorily convertible preference shares of Rs. 10 each Series A : NIL (As on 31 March 2022 : 152,348 shares)		455.85
Compulsorily convertible preference shares of Rs. 10 each Series B : NIL (As on 31 March 2022 : 186,982 shares)		559.47
Compulsorily convertible preference shares of Rs. 10 each Series B1 : NIL (As on 31 March 2022 : 88,624 shares)		265.17
Compulsorily convertible preference shares of Rs. 10 each Series B2 : NIL (As on 31 March 2022 : 1,339,659 shares)		4,008.43
Compulsorily convertible preference shares of Rs. 10 each Series B3 : NIL (As on 31 March 2022 : 128,207 shares)		383.61
Compulsorily convertible preference shares of Rs. 10 each Series C : NIL (As on 31 March 2022 : 1,417,252 shares)		4,240.60
Compulsorily convertible preference shares of Rs. 10 each Series D : NIL (As on 31 March 2022 : 1,940,933 shares)		5,807.52
Compulsorily convertible preference shares of Rs. 10 each Series D1 : NIL (As on 31 March 2022 : 416,865 shares)		1,247.31
Compulsorily convertible preference shares of Rs. 10 each Series D3 : NIL (As on 31 March 2022 : 110,754 shares)		331.39
Compulsorily convertible preference shares of Rs. 10 each Series E : NIL (As on 31 March 2022 : 153,496 shares)		506.05
Compulsorily convertible preference shares of Rs. 10 each Series E2 : Nil (As on 31 March 2022 : 395,840 shares)		475.01
<i>Unsecured, measured at FVTPL</i>		
Liability component of Optionally Convertible Redeemable Preference Shares (Refer note 12 (c))		
Optionally convertible preference shares of Rs. 10 each Series E1 7,292 fully paid shares (As on 31 March 2022: 7,292 partly paid shares of Re. 1)	6.99	0.01
	6.99	18,280.42
	442.19	18,360.85
Total		

14.1 B

Particulars	As at	As at
	31 March 2023	31 March 2022
Current		
<i>Secured</i>		
Short Term Borrowings (Refer note (a))	400.00	-
Payable Financing (Refer note (a))	93.07	-
Current maturities of long-term debt (Refer note (14.1A))	802.97	60.25
Bank overdraft (Refer note (a))	545.95	75.83
Total	1,841.99	136.08
	2,284.18	18,496.93
Total Borrowings		



Notes

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

- Term loan from Innoven Capital India Private Limited of INR 3.33 Million (as at 31 March 2022: 43.33 Million) carry interest rate of 14.35% p.a. and to be repaid in 21 equal monthly installments from September 2021. The loan is secured by way of first pari passu charge on the fixed and current asset 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 32.26 Million (as at 31 March 2022: 49.86 Million) to be repaid in 36 equal monthly installments 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 favor of bank.
- Emergency Credit Line Guarantee Scheme (ECLGS) loan from HDFC Bank Limited of INR 47.72 Million (as at 31 March 2022: 47.72 Million) to be repaid in 36 equal monthly installments from January 2022 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 favor of bank.
- Unsubordinated Senior Secured Term Loan of an amount of INR 87.5 Million (as at 31 March 2022: NIL) from Oxyzo Financial Services Private Limited to be repaid in 21 months with moratorium of 6 months for principal payments carrying floating interest of 6-month MCLR + 5.35% (currently 13.75% p.a.). The loan is secured by way of First ranking pari passu charge on all Existing and Future Current assets (including book debts, trade receivables, stock in trade, inventory, unencumbered cash equivalents except for the fixed deposits exclusively lien marked with Bank(s) for Gold Metal Loans), entire fixed assets and intellectual properties, brand/trademarks and intangible assets of the Borrower cumulatively referred as "Hypothecated Property", value of which shall not be less than the Security Cover. A general lien and set-off right on all assets of the Borrower on a first ranking pari passu basis, whereby the Lender will be entitled to recover its dues from the sale of any current and future movable, fixed, other assets of the Borrower at any point in time during the currency of the loan in the case of any Event of Default. A demand promissory note and a letter of continuity. Cash Collateral shall be placed with the Lender prior to the disbursement in the form of interest-bearing security deposit.
- Unsubordinated Senior Secured Term Loan of an amount of INR 175 Million (as at 31 March 2022: NIL) from Oxyzo Financial Services Private Limited to be repaid in 18 months with moratorium of 12 months for principal payments carrying floating interest of 6-month MCLR + 5.05% (currently 13% p.a.). The loan is secured by way of First ranking pari passu charge on all Existing and Future Current assets (including book debts, trade receivables, stock in trade, inventory, unencumbered cash equivalents except for the fixed deposits exclusively lien marked with Bank(s) for Gold Metal Loans), entire fixed assets and intellectual properties, brand/trademarks and intangible assets of the Borrower cumulatively referred as "Hypothecated Property", value of which shall not be less than the Security Cover. A general lien and set-off right on all assets of the Borrower on a first ranking Pari Passu basis, whereby the Lender will be entitled to recover its dues from the sale of any current and future movable, fixed, other assets of the Borrower at any point in time during the currency of the loan in the event of a default. A demand promissory note and a letter of continuity. Cash Collateral shall be placed with the Lender prior to the disbursement in the form of interest-bearing security deposit.
- Term loan facility of an amount of INR 100 Million (as at 31 March 2022: NIL) from Incred Financial Services to be repaid in monthly installments with an interest of 14% p.a. The loan is secured by way of
 - Demand Promissory Note
 - 4 undated cheques for the EMI amount for each tranche of the facility.
 - 1 undated security deposit cheque worth Rs 100 Million
 - First par-passu charge on all the fixed and current assets of the company to be shared with the other secured lenders Upto 1x of the facility amount.
 - NACH for EMI payments

- Structured credit line of Rs. 200 Million (as at 31 March 2022: NIL) from Northern Arc Capital Limited to be repaid in 18 months carrying floating interest FBRL - 1.80% (currently 13% p.a.). The loan is secured by First pari passu charge on all existing and future book debts, current assets, fixed assets, intellectual properties, brand and intangibles of the borrower. Cash collateral shall be placed at 10% of the facility
 4,000 unsecured, unrated, redeemable and unlisted non-convertible debentures having face value of INR 15,000 aggregating to INR 100 Million (as at 31 March 2022: NIL) from Klub Works Private Limited. The Debentures shall have a fixed yield which shall be equivalent to 18.01% of the Debenture Subscription Amount and it is to be repaid in 18 months from October 2022.

2000 unsecured, unrated, redeemable and unlisted non-convertible debentures having face value of INR 25,000 aggregating to INR 50 Million (as at 31 March 2022: NIL) from Klub Works Private Limited. The Debentures shall have a fixed yield which shall be equivalent to 13.70% of the Debenture Subscription Amount and it is to be repaid in 370 days from October 2022.
 Secured, redeemable, unrated, and unlisted non-convertible debentures of an amount of INR 400 Million (as at 31 March 2022: NIL) having a face value of Rs. 10 Million from (Catalyst Trusties Limited) Incred Financial Services to be repaid in 36 months with 9 months of principal moratorium with interest of 14.25% p.a. The loan is secured by way of pari passu charge over receivables and all fixed assets of the Company.

b) Short term borrowings include the following:

- Working Capital Demand Loan of an amount of INR 200 Million (as at 31 March 2022: NIL) from Securities Trading Corporation of India (STCI) to be repaid in 12 months, repayable on demand, carrying an interest of 13%. The loan is secured by way of First ranking Pari passu charge on all existing and future current assets with the existing lenders (including book debts, trade receivables, stock in trade, inventory, unencumbered cash equivalents), entire fixed assets and intellectual properties, brands/trademarks, and intangible assets of the borrower cumulatively referred as 'Hypothecated Assets'. Cash margin of Rs. 20 million of the facility shall be placed in fixed deposit account under lien to STCI.
- Working Capital Demand Loan of an amount of INR 200 Million (as at 31 March 2022: NIL) from Capsivo Finance Private Limited to be repaid in 12 months with an interest, payable monthly, of 13.5% (CPPI Benchmark Lending Rate less 9.42%). The loan is secured by way of First ranking, pari passu charge on all existing and future fixed and current assets, other assets, including but not limited to inventory (if any), receivables, rental deposits of the Borrower by way of deed of Hypothecation, Lien on FD to the extent of 10% of sanctioned amount in favor of lender to be created and maintained at all the time during the tenor of the facility and NACH mandate and 3 cheques along with Demand Promissory Note for amount equivalent to sanction limit from borrower.
- Vendor Finance wherein Stride Fintree Private Limited has onboarded the supplier to its platform and is facilitating credit facility of INR 93.7 Million (as at 31 March 2022: NIL) through Payable Invoice Discounting (PID) and Vendor Financing (VF) which is to be repaid within 60 days to 90 days with an interest of 13.75%. The financing agreement is secured by cash margin of 15%.

d) Bank Overdraft includes the following:

- Cash Credit/Overdraft facility availed from HDFC Bank Limited of INR 273.50 million (as at 31 March 2022: INR 47.05 million) on which interest shall be paid monthly at MCLR + 2.25%. 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 272.45 (as at 31 March 2022: INR 28.77 million) 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.
- The Company has availed Gold Metal Loans from HDFC Bank Limited and ICICI bank. The repayment of such loans shall be made at maturity date. The maximum period for ailment of loan is 270 days. Interest on such loans is linked to international gold lease rate. The loans are secured against first charge on fixed deposits.

f) 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	
HDFC BANK							
30-Jun-22	300.00	Inventory	Impact of Ind AS and book closure entries	1,389.63	1,389.57	0.06	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 Book closure entries
30-Sep-22				2,377.78	2,241.90	135.88	
31-Dec-22				2,189.12	2,228.54	(39.41)	
31-Mar-23				1,969.61	3,953.17	(1983.56)	
ICICI BANK							
30-Jun-22	300.00			1,383.10	1,389.57	(6.47)	
30-Sep-22				2,340.90	2,241.90	99.00	
31-Dec-22				2,186.90	2,228.54	(41.64)	
31-Mar-23				1,955.70	3,953.17	(1997.47)	

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

Nature of Borrowing	Name of Lender	Amount not paid on due date during the year		No. of days delay or unpaid	Amount remaining unpaid as at 31 March 2023		Amount paid till the date of report		Remarks	
		Principal	Interest		Principal	Interest	Principal	Interest		
Long Term Borrowing	Due to Financial Institutions:	Innoven Capital India Private Limited	3.33	0.46	3.00	-	-	3.33	0.46	Caused due to processing delays. Amount repaid with default interest.
			3.33	0.45	2.00	-	-	3.33	0.45	
			3.33	0.18	1.00	-	-	3.33	0.18	
			3.33	0.15	1.00	-	-	3.33	0.15	
			3.33	0.10	4.00	-	-	3.33	0.10	
	-	0.06	4.00	-	-	-	0.06			
Klub Works Private Limited	Oxyzo Financial Services Private Limited	-	0.92	4.00	-	-	-	0.92		
		-	0.28	2.00	-	-	-	0.28		
		-	1.68	1.00	-	-	-	1.68		



Bluestone Jewellery and Lifestyle Private Limited

CIN: U72900KA2011PTC059678

Notes to the financial statements for the year ended 31 March 2023

(All amounts are in INR million unless otherwise stated)

14.2 Gold on loan

Particulars	As at	As at
	31 March 2023	31 March 2022
Gold Metal Loan-repayable on demand (Refer note below)	2,212.42	828.48
Total	2,212.42	828.48

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 placed by the Company (refer note 7.3 B).

14.3 Trade payables

Particulars	As at	As at
	31 March 2023	31 March 2022
Current		
Total outstanding dues of micro enterprises and small enterprises	130.95	133.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	652.82	600.22
Total trade payables	783.77	733.45

Disclosure in respect of Micro and Small Enterprises :

Particulars	As at	As at
	31 March 2023	31 March 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
-Principal	130.95	133.23
-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.	-	-



Trade payables Ageing Schedule

Ageing as at March 31, 2023

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	130.95	-	-	-	130.95
Total outstanding dues of creditors other than micro, enterprises and small enterprises	634.93	3.35	2.48	12.06	652.82
Disputed dues of micro, enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro, enterprises and small enterprises	-	-	-	-	-
Total	765.88	3.35	2.48	12.06	783.77

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	-	-	-	-	-
Total	556.01	75.06	98.44	3.94	733.45

14.4 Lease liabilities

Particulars	As at	As at
	31 March 2023	31 March 2022
Non current		
Lease liabilities	3,318.98	1,754.40
Total	3,318.98	1,754.40

Particulars	As at	As at
	31 March 2023	31 March 2022
Current		
Lease liabilities	410.33	191.35
Total	410.33	191.35



Bluestone Jewellery and Lifestyle Private Limited
 CIN: U72900KA2011PTC059678
 Notes to the financial statements for the year ended 31 March 2023
 (All amounts are in INR million unless otherwise stated)

14.5 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Deposit made by franchisee	1,610.63	675.03
Total	1,610.63	675.03
Current		
Interest accrued but not due on borrowings	8.53	0.39
Deposit made by franchisee	1,286.38	465.70
Liability towards Phantom options (Refer note 37)	269.08	-
Total	1,563.99	466.09

15 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Provision for employee benefits	28.80	23.47
Provision for gratuity (refer note 25)	16.99	9.55
Provision for compensated absence (refer note 25)	45.79	33.02
Total	45.79	33.02
Current		
Provision for employee benefits	1.74	1.59
Provision for gratuity (refer note 25)	1.48	0.79
Provision for compensated absence (refer note 25)	-	269.09
Provision for Phantom options (Refer note 37)	3.22	271.47
Total	3.22	271.47

16 Other liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Advance received from customers	778.44	348.68
Statutory dues payable	27.82	11.78
Gift vouchers	233.56	160.65
Total	1,039.82	521.11



Notes

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

- Term loan from Innoven Capital India Private Limited of INR 3.33 Million (as at 31 March 2022: 43.33 Million) carry interest rate of 14.35% p.a. and to be repaid in 21 equal monthly installments from September 2021. The loan is secured by way of first pari passu charge on the fixed and current asset 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 way of hypothecation.
- Emergency Credit Line Guarantee Scheme (ECLGS) loan from HDFC Bank Limited of INR 32.26 Million (as at 31 March 2022: 49.86 Million) to be repaid in 36 equal monthly installments 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 favor of bank.
- Emergency Credit Line Guarantee Scheme (ECLGS) loan from HDFC Bank Limited of INR 47.72 Million (as at 31 March 2022: 47.72 Million) to be repaid in 36 equal monthly installments from January 2022 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 favor of bank.
- Unsubordinated Senior Secured Term Loan of an amount of INR 87.5 Million (as at 31 March 2022: Nil) from Oxyzo Financial Services Private Limited to be repaid in 21 months with moratorium of 6 months for principal payments carrying floating interest of 6-month MCLR + 5.35% (currently 13.75% p.a.). The loan is secured by way of first ranking pari passu charge on all Existing and Future Current assets (including book debts, trade receivables, stock in trade, inventory, unencumbered cash equivalents except for the fixed deposits exclusively lien marked with Bank(s) for Gold Metal Loans), entire fixed assets and intellectual properties, brand/trademarks and intangible assets of the Borrower cumulatively referred as "Hypothecated Property", value of which shall not be less than the Security Cover. A general lien and set-off right on all assets of the Borrower on a first ranking pari passu basis, whereby the Lender will be entitled to recover its dues from the sale of any current and future movable, fixed, other assets of the Borrower at any point in time during the currency of the loan in the case of any Event of Default. A demand promissory note and a letter of continuity. Cash Collateral shall be placed with the Lender prior to the disbursement in the form of interest-bearing security deposit.
- Unsubordinated Senior Secured Term Loan of an amount of INR 175 Million (as at 31 March 2022: Nil) from Oxyzo Financial Services Private Limited to be repaid in 18 months with moratorium of 12 months for principal payments carrying floating interest of 6-month MCLR + 5.05% (currently 13% p.a.). The loan is secured by way of first ranking pari passu charge on all Existing and Future Current assets (including book debts, trade receivables, stock in trade, inventory, unencumbered cash equivalents except for the fixed deposits exclusively lien marked with Bank(s) for Gold Metal Loans), entire fixed assets and intellectual properties, brand/trademarks and intangible assets of the Borrower cumulatively referred as "Hypothecated Property", value of which shall not be less than the Security Cover. A general lien and set-off right on all assets of the Borrower on a first ranking Pari Passu basis, whereby the Lender will be entitled to recover its dues from the sale of any current and future movable, fixed, other assets of the Borrower at any point in time during the currency of the loan in the event of a default. A demand promissory note and a letter of continuity. Cash Collateral shall be placed with the Lender prior to the disbursement in the form of interest-bearing security deposit.

- Term loan facility of an amount of INR 100 Million (as at 31 March 2022: Nil) from Incred Financial Services to be repaid in monthly installments with an interest of 14% p.a. The loan is secured by way of

- Demand Promissory Note
- 4 undated cheques for the EMI amount for each tranche of the facility.
- 1 undated security deposit cheque worth Rs 100 Million
- First pari-passu charge on all the fixed and current assets of the company to be shared with the other secured lenders Upto 1x of the facility amount.
- NACH for EMI payments

- Structured credit line of Rs. 200 Million (as at 31 March 2022: Nil) from Northern Arc Capital Limited to be repaid in 18 months carrying floating interest FBR - 1.60% (currently 13% p.a.). The loan is secured by First pari passu charge on all existing and future book debts, current assets, fixed assets, Intellectual properties, brand and intangibles of the borrower. Cash collateral shall be placed at 10% of the facility.

4,000 unsecured, unratred, redeemable and unlisted non-convertible debentures having face value of INR 25,000 aggregating to INR 100 Million (as at 31 March 2022: Nil) from Klub Works Private Limited. The Debentures shall have a fixed yield which shall be equivalent to 18.01% of the Debenture Subscription Amount and it is to be repaid in 18 months from October 2022.

2000 unsecured, unratred, redeemable and unlisted non-convertible debentures having face value of INR 25,000 aggregating to INR 50 Million (as at 31 March 2022: Nil) from Klub Works Private Limited. The Debentures shall have a fixed yield which shall be equivalent to 13.70% of the Debenture Subscription Amount and it is to be repaid in 370 days from October 2022.

Secured, redeemable, unratred, and unlisted non-convertible debentures of an amount of INR 400 Million (as at 31 March 2022: Nil) having a face value of Rs. 10 Million from (Catalyst Trusties Limited) Incred Financial Services to be repaid in 36 months with 9 months of principal moratorium with interest of 14.25% p.a. The loan is secured by way of pari passu charge over receivables and all fixed assets of the Company.

b) Short term borrowings include the following:

- Working Capital Demand Loan of an amount of INR 200 Million (as at 31 March 2022: Nil) from Securities Trading Corporation of India (STCI) to be repaid in 12 months, repayable on demand, carrying an interest of 13%. The loan is secured by way of First ranking Pari passu charge on all existing and future current assets with the existing lenders (including book debts, trade receivables, stock in trade, inventory, unencumbered cash equivalents), entire fixed assets and intellectual properties, brands/trademarks, and intangible assets of the borrower cumulatively referred as "Hypothecated Assets". Cash margin of Rs. 20 million of the facility shall be placed in fixed deposit account under lien to STCI.
- Working Capital Demand Loan of an amount of INR 200 Million (as at 31 March 2022: Nil) from Capsive Finance Private Limited to be repaid in 12 months with an interest, payable monthly, of 13.5% (CFPI Benchmark Lending Rate less 9.42%). The loan is secured by way of First ranking, pari passu charge on all existing and future fixed and current assets, other assets, including but not limited to inventory (if any), receivables, rental deposits of the Borrower by way of deed of Hypothecation, Lien on FD to the extent of 10% of sanctioned amount in favor of Lender to be created and maintained at all the time during the tenor of the Facility and NACH mandate and 3 cheques along with Demand Promissory Note for amount equivalent to sanction limit from borrower.

c) Vendor Finance wherein Stride Fintree Private Limited has onboarded the supplier to its platform and is facilitating credit facility of INR 93.7 Million (as at 31 March 2022: Nil) through Payable Invoice Discounting (PID) and Vendor Financing (VF) which is to be repaid within 60 days to 90 days with an interest of 13.75%. The financing agreement is secured by cash margin of 15%.

d) Bank Overdraft includes the following:

- Cash Credit/Overdraft facility availed from HDFC Bank Limited of INR 273.50 million (as at 31 March 2022: INR 47.06 million) on which interest shall be paid monthly at MCLR + 2.25%. 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 272.45 (as at 31 March 2022: INR 28.77 million) 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.

e) The Company has availed Gold Metal Loans from HDFC Bank Limited and ICICI bank. The repayment of such loans shall be made at maturity date. The maximum period for ailment of loan is 270 days. Interest on such loans is linked to international gold lease rate. The loans are secured against first charge on fixed deposits.

f) 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)	Nature of current assets	Nature of discrepancy	Details of discrepancies			Remarks (including subsequent rectification, if any)
				Amount as per Quarterly returns and statements	As per unaudited books of accounts	Difference	
HDFC BANK	300.00	Inventory	Impact of Ind AS and book closure entries	1,389.63	1,389.57	0.05	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 Book closure entries
				2,377.78	2,241.90	135.88	
				2,189.12	2,228.54	(39.41)	
				1,969.61	3,953.17	(1983.56)	
ICICI BANK	300.00	Inventory	Impact of Ind AS and book closure entries	1,383.10	1,389.57	(6.47)	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 Book closure entries
				2,340.90	2,241.90	99.00	
				2,186.90	2,228.54	(41.64)	
				1,955.70	3,953.17	(1997.47)	

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

Nature of Borrowing	Name of Lender	Amount not paid on due date during the year		No. of days delay or unpaid	Amount remaining unpaid as at 31 March 2023		Amount paid till the date of report		Remarks
		Principal	Interest		Principal	Interest	Principal	Interest	
Long Term Borrowing	Due to Financial Institutions: Innoven Capital India Private Limited	3.33	0.46	3.00	-	-	3.33	0.46	Caused due to processing delays. Amount repaid with default interest.
		3.33	0.45	2.00	-	-	3.33	0.45	
		3.33	0.18	1.00	-	-	3.33	0.18	
		3.33	0.15	1.00	-	-	3.33	0.15	
		3.33	0.10	4.00	-	-	3.33	0.10	
	Klub Works Private Limited	-	0.06	4.00	-	-	-	0.06	
		-	0.92	4.00	-	-	-	0.92	
	Oxyzo Financial Services Private Limited	-	0.92	2.00	-	-	-	0.92	
		-	1.68	1.00	-	-	-	1.68	



17	Revenue from operations	For the year ended 31 March 2023	For the year ended 31 March 2022
	Particulars		
	Sale of products	7,707.26	4,613.58
	Manufactured goods	7,707.26	4,613.58
	Total revenue from operations		
	(B) Ind AS 115 - Revenue from contract with customers	For the year ended 31 March 2023	For the year ended 31 March 2022
	Particulars		
	Revenue from contract with customers - Sale of products	7,707.26	4,613.58
	Total revenue from operations	7,707.26	4,613.58
	India	-	-
	Outside India	7,707.26	4,613.58
	Total revenue from operations		
	Timing of revenue operation	7,707.26	4,613.58
	At a point in time	-	-
	Over a period of time	7,707.26	4,613.58
	Total revenue from operations		
	(C) Contract balances	For the year ended 31 March 2023	For the year ended 31 March 2022
	Particulars		
	Contract liabilities	778.44	348.68
	Advance from customers (refer note 16)		
18	Other Income	For the year ended 31 March 2023	For the year ended 31 March 2022
	Particulars		
	Interest on fixed deposits and others	97.86	30.41
	Profit on sale of property plant and equipment (net)	-	1.49
	Liabilities no longer required written back	55.00	46.17
	Provision for contingencies reversed (refer note 39)	-	47.12
	Unwinding of interest on financial assets carried at amortized cost	11.32	7.09
	Gain on termination of lease	5.55	3.71
	Rent waiver on lease liabilities	0.09	13.83
	Miscellaneous income	1.86	3.31
	Miscellaneous income	171.68	153.13
	Total other income		
19	Cost of raw materials consumed	For the year ended 31 March 2023	For the year ended 31 March 2022
	Particulars		
	Raw material consumed	480.18	155.46
	Inventory at the beginning of the year	7,533.36	4,129.97
	Add: Purchases	897.54	480.18
	Less: Inventory at the end of the year	7,176.00	3,805.25
	Total consumption		
20	Change in inventories of finished goods and work-in-progress	For the year ended 31 March 2023	For the year ended 31 March 2022
	Particulars		
	Inventories at the end of the year	3,013.82	1,175.92
	Finished goods	87.94	1.05
	Work-in-progress		
	Inventories at the beginning of the year	1,175.92	493.78
	Finished goods	1.05	2.64
	Work-in-progress	(1,924.79)	(680.55)
	Net change		
21	Employee benefits expense	For the year ended 31 March 2023	For the year ended 31 March 2022
	Particulars		
	Salaries and wages	643.38	350.46
	Contribution to provident and other funds (Refer note 25)	20.95	12.24
	Gratuity expenses (Refer note 25)	10.91	7.55
	Expense on employee stock option scheme (Refer note 30)	194.47	27.12
	Staff welfare expenses	42.25	20.19
	Total employee benefits expense	911.96	417.56



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22	Finance costs	For the year ended 31 March 2023	For the year ended 31 March 2022
	Particulars		
	Interest on :	148.27	27.99
	Term loans from banks & financial institutions	29.74	-
	Debentures	0.46	0.23
	Delayed payment of taxes	263.79	78.22
	Franchisee	210.99	77.98
	Lease liability	2.76	1.93
	Bank charges	13.60	1.32
	Other borrowing costs	669.61	187.67
	Total finance costs		

23	Depreciation and amortization expense	For the year ended 31 March 2023	For the year ended 31 March 2022
	Particulars		
	Depreciation of property, plant and equipment (refer note 3)	137.67	44.58
	Amortization of other intangible assets (refer note 5)	2.01	2.36
	Depreciation of right to use assets (refer note 6)	477.26	173.75
	Total depreciation and amortization expense	616.94	220.69

24	Other expenses	For the year ended 31 March 2023	For the year ended 31 March 2022
	Particulars		
	Power and fuel	59.09	18.53
	Certification & hallmarking charges	62.72	33.15
	Job work charges	288.45	137.06
	Consumables	60.07	24.15
	Security charges	32.72	10.78
	Insurance	12.05	12.98
	Repairs and maintenance		
	-Buildings	7.27	3.34
	Rates and taxes	40.78	2.58
	Advertisement & marketing Cost	841.40	423.05
	Payment gateway charges	69.13	46.02
	Shipping charges	76.89	36.36
	Brokerage & commission	117.21	210.34
	Office maintenance		
	Printing & stationery expenses	10.86	6.64
	Postage and courier charges	1.32	1.26
	Software and web development charges	10.52	10.31
	Recruitment charges	5.69	2.68
	Bad trade receivables written off	0.51	0.34
	Advances written off	4.87	8.71
	Rent (refer note 6C)	30.21	41.46
	Legal and professional charges*#	119.47	54.83
	Travelling and conveyance expenses	50.40	19.17
	Technology & communication expenses	28.80	16.86
	Auditors remuneration (refer note (a) below)	5.19	3.10
	Provision for balance with government authorities	72.18	-
	Provision for expected credit loss	0.96	1.86
	Phantom options expense (refer note 37)	-	163.87
	Office maintenance	85.14	43.17
	Loss on sale of property, plant and equipment	3.94	-
	Miscellaneous expenses	3.82	3.34
	Total other expenses	2,101.66	1,335.94

* Note: Includes amounts paid to a firm affiliated to the statutory auditors firm through a networking arrangements as registered with the Institute of Chartered Accountants of India, for the year ended 31 March, 2023 Rs. Nil (31 March, 2022 Rs.3.50 million).

(a)	Payment to Auditors	For the year ended 31 March 2023	For the year ended 31 March 2022
	Particulars		
	As auditor:	5.00	3.00
	Statutory audit	0.16	0.10
	Reimbursement of expenses	0.03	-
	Out of pocket expenses	5.19	3.10
	Total		

The Statement of Profit and Loss under legal and professional expenses also includes Rs. NIL (31 March 2022 - Rs. 17.00 million) towards comfort letter and other IPO related services.



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 2023	31 March 2022
Employer's Contribution to Provident Fund	20.18	11.79
Employer's Contribution to Employee State Insurance Corporation	0.77	0.45
Expense recognized during the year	20.95	12.24

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 retirement or termination of employment, an amount based on the respective employee's last drawn salary and the number of years of employment with the Company.

a) **Reconciliation of the projected benefit obligations**

Particulars	As at 31 March 2023	As at 31 March 2022
Change in projected benefit obligation:	25.06	21.03
Obligations at beginning of the year	9.12	5.98
Service cost	1.79	1.57
Interest on defined benefit obligation	(4.02)	(3.36)
Benefits settled	(1.41)	(0.17)
Actuarial (gain)/ loss	30.54	25.06
Obligations at the end of year		

Change in plan assets:

Particulars	As at 31 March 2023	As at 31 March 2022
Plan assets at year beginning, at fair value	-	-
Actual return on plan assets	-	-
Fund management charges	-	-
Employer contribution	-	-
Withdrawal from fund against payment made	-	-
Benefits settled	-	-
Plan assets at end of the year, at fair value		

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

Closing obligations	30.54	25.06
Closing fair value of plan assets	30.54	25.06
Liability recognized in the balance sheet		
Net liability:	28.80	23.47
Non-current	1.74	1.59
Current		

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

Particulars	31 March 2023	31 March 2022
Service cost	9.12	5.98
Interest cost	1.79	1.57
Net benefit paid	-	-
Net gratuity cost	10.91	7.55

ii. **Remeasurements recognized in Other Comprehensive Income**

Particulars	31 March 2023	31 March 2022
Actuarial (gain)/ loss on defined benefit obligation	-	-
Changes in demographic assumption	(1.07)	(1.49)
Changes in financial assumptions	(0.34)	1.32
Experience variance (i.e. Actual experience vs assumptions)	(1.41)	(0.17)
Actuarial (gain)/ loss on asset		



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c Defined benefit obligation - Actuarial assumptions

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:

	31 March 2023	31 March 2022
Particulars		
Discount rate	7.15%	7.15%
Salary increase	8.00%	8.00%
Attrition rate:		
-Up to 44 years	8.00%	8.00%
-Above 44 years	2.00%	2.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
	14	
	58	58
Retirement Age (years)		

(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

Particulars	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	27.35	34.35	22.45	28.17
Salary Growth Rate (- / + 1%)	33.80	27.62	27.75	22.72
Attrition Rate (- / + 50% of attrition rates)	29.60	31.67	24.48	25.82
Mortality Rate (- / + 10% of mortality rates)	30.55	30.54	25.06	25.06

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

	31 March 2023	31 March 2022
Projected benefits payable in future years		
1st following year	1.74	1.59
2nd to 5th year	8.37	7.28
6th to 10 years	11.58	9.28
More than 10 years	66.88	50.35

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
	31 March 2023	31 March 2022
Change in projected benefit obligation:		
Obligations at beginning of the year	10.34	9.53
Service cost	11.36	3.56
Interest on defined benefit obligation	0.73	0.63
Benefits settled	(1.32)	(0.74)
Actuarial (gain)/ loss	(2.64)	(2.64)
Obligations at the end of year	18.47	10.34

Change in plan assets:

Particulars	As at	As at
	31 March 2023	31 March 2022
Plan assets at year beginning, at fair value		
Actual return on plan assets	-	-
Fund management charges	-	-
Employer contribution	-	-
Withdrawal from fund against payment made	-	-
Benefits settled	-	-
Plan assets at end of the year, at fair value		

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

Closing obligations	18.47	10.34
Closing fair value of plan assets	-	-
Liability recognized in the balance sheet	18.47	10.34
Net liability:		
Non-current	16.99	9.55
Current	1.48	0.79



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(i) Expense recognized in Statement of Profit and Loss:		31 March 2023	31 March 2022
Particulars		11.36	3.56
Current Service cost		-	-
Past service cost		0.73	0.63
Net Interest Cost / (Income)		(2.64)	(2.64)
Actuarial (gain)/ loss			
Net benefit paid		9.45	1.55
Net Interest Cost / (Income) the Net Defined Benefit Liability / (Asset)			

Defined benefit obligation - Actuarial assumptions

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:		31 March 2023	31 March 2022
Particulars		7.15%	7.15%
Discount rate		8.00%	8.00%
Salary increase			
Attrition rate:		8.00%	8.00%
-Up to 44 years		2.00%	2.00%
-Above 44 years		100% of IALM 2012- 100% of IALM 2012-14	
Mortality rate		14	58
Retirement Age (years)		58	58
Proportion of Leave Availment		5.00%	5.00%
Proportion of Leave Encashment on separation		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

Particulars	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	16.64	20.64	9.30	11.57
Salary Growth Rate (- / + 1%)	20.61	16.64	11.55	9.30
Attrition Rate (- / + 50% of attrition rates)	18.25	18.81	10.14	10.63
Mortality Rate (- / + 10% of mortality rates)	18.47	18.47	10.34	10.34

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

Projected benefits payable in future years		31 March 2023	31 March 2022
1st following year		1.48	0.79
2nd to 5th year		5.33	3.11
6th to 10 years		7.36	4.30
More than 10 years		37.86	19.61



26 Income Taxes

A	Amount recognized in Statement of Profit or Loss	For the year ended	
		31 March 2023	31 March 2022
	Particulars		
	Current tax	-	71.01
	Deferred tax	-	71.01
	Income tax expense reported in the Statement of Profit and Loss		
B	Income tax recognized in Other Comprehensive Income	For the year ended	
	Particulars	31 March 2023	31 March 2022
	Remeasurement of the net defined benefit liability/asset	-	-
	Tax (expense)/benefit		
C	Reconciliation of effective tax rate	For the year ended	
	Particulars	31 March 2023	31 March 2022
	Loss before tax	(1,672.44)	(12,613.08)
	Tax amount at the enacted income tax rate	25.17%	25.17%
	Expected income tax expense at statutory tax rate		
	Income tax expense recognised in Statement of Profit and Loss		

D The following table provides the details of income tax assets and income tax liabilities as at 31 March 2023, 31 March 2022 and 1 April 2021

Particulars	As at	
	31 March 2023	31 March 2022
Advance income tax and tax deducted at source	12.72	7.45
Provision for taxes	-	-
Net income tax asset/ (liability) at the end of the year	12.72	7.45



E Deferred tax (assets)/liabilities:

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

For the year ended 31 March 2023	As at April 1, 2022	Recognized in profit or loss	Recognized in OCI	As at 31 March 2023
Deferred tax assets on:				
Provision for compensated absences, gratuity and other employee benefits	-	-	-	-
Provision for doubtful trade receivables/advances	-	-	-	-
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	-	-	-	-
Gross deferred tax assets	-	-	-	-
Net deferred tax liabilities/ (assets)	-	-	-	-
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
Deferred tax assets on:				
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)	-	-
Gross deferred tax assets	71.01	(71.01)	-	-
Net deferred tax liabilities/ (assets)	(71.01)	71.01	-	-

Deferred tax assets have not been recognised on business loss of Rs 3,421.94 Million (March 31, 2022: Rs 3,324.01 Million), unabsorbed depreciation of Rs 176.02 Million (March 31, 2022: Rs 110.68 Million) and deductible temporary differences, since recovery is not considered probable in the foreseeable future.



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27 Related party disclosures

(i) Names of related parties and description of relationship

A. Related party where control exists

Relationship

Key Management Personnel (KMP)

Related Parties

Mr. Gaurav Singh Kushwaha, Managing Director, Chairman, Chief Executive Officer
Mr. Runit Dugar, Chief Financial Officer (w.e.f. May 02, 2022)
Mr. Vipin Sharma, Chief Merchandising Officer (w.e.f. July 21, 2022)
Mr. Sudeep Nagar, Chief Operating Officer (w.e.f. July 21, 2022)
Ms. Roopa Hegde, Company Secretary (upto April 13, 2023)

Directors

Mr. Gaurav Singh Kushwaha
Mr. Prashanth Prakash
Mr. Vikram Gupta
Mr. Sameer Dilip Nath
Mr. Suresh Shanmugham (upto May 12, 2022)

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

Mrs. Arpita Tomar, Relative of KMP
Mrs. Poonam Dugar, Relative of KMP
Mrs. Shikha Parikh, Relative of KMP
Mrs. Sonia Gupta, Relative of Director

ii) Related party transactions

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Remuneration paid to Key Management Personnel	31.26	7.51
Gaurav Singh Kushwaha	12.53	-
Runit Dugar	13.01	-
Vipin Sharma	14.41	-
Sudeep Nagar	0.48	-
Roopa Hegde	-	-
Right shares issued	-	0.89
Gaurav Singh Kushwaha	-	-
Final call towards right shares issued	90.20	-
Gaurav Singh Kushwaha	-	-
Sale of products	3.56	1.47
Mrs. Arpita Tomar	0.15	-
Mrs. Poonam Dugar	1.03	-
Mrs. Shikha Parikh	0.11	-
Mrs. Sonia Gupta	5.45	-
Mr. Vikram Gupta	0.57	-
Mr. Vipin Sharma	-	-

iii) Amounts outstanding as at the balance sheet date

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Trade payables	4.85	11.67
Gaurav Singh Kushwaha	0.96	-
Runit Dugar	0.96	-
Vipin Sharma	-	-
Advance to Employees	0.79	-
Sudeep Nagar	0.01	-
Roopa Hegde	-	-

Note :-

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



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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	(Figures in Rupees Millions except number of shares)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit / (Loss) after tax for calculating basic and diluted EPS	(1,672.44)	(12,684.09)
Weighted average number of shares (refer note below) (refer Note 12(d))	18,151,920	18,151,920
Earnings per share		
- Basic (Rupees/share)	(92.14)	(698.77)
- Diluted (Rupees/share)	(92.14)	(698.77)

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 2023	31 March 2022
Weighted average number of equity shares of Re 1 each used for calculation of basic and diluted earnings per share (Refer Note 12(d))	18,151,920	18,151,920

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.



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

Particulars	During the year ended 31 March 2023	During the year ended 31 March 2022
Outstanding at the beginning of the year	138,571	42,642
Increase in number of options on account of bonus issue during the year (refer note 12(d))	1,247,139	-
Options granted during the year	1,173,504	116,226
Options vested during the year	(508,727)	(13,265)
Options exercised during the year	-	-
Options lapsed during the year	(155,691)	(7,032)
Outstanding at the end of the year	1,894,796	138,571
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 2023 and 31 March 2022 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 2022
No of options granted	1,173,504	116,226
Date of grant	1-Sep-21	1-Sep-21
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 2023		As at 31 March 2022	
	Amortised cost	Fair value through profit or loss	Amortised cost	Fair value through profit or loss
Financial assets	12.07	-	9.08	-
Loans	10.64	-	49.98	-
Trade receivables	271.00	-	87.12	-
Cash and cash equivalents	2,318.61	-	924.50	-
Bank balances other than above	738.23	-	270.71	-
Other financial assets	3,350.55	-	1,341.39	-
Total assets				
Financial liabilities	2,277.19	6.99	216.51	18,280.42
Borrowings	2,212.42	-	828.48	-
Gold on loan	3,729.31	-	1,945.75	-
Lease liabilities	783.77	-	733.45	-
Trade payables	3,174.62	-	1,141.12	-
Other financial liabilities	12,177.31	6.99	4,865.31	18,280.42
Total liabilities				

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, 2023 and March 31, 2022.

Particulars	Date of valuation	Total	Level 1	Level 2	Level 3
FVTPL financial liabilities:					6.99
Compulsorily convertible preference shares measured at FVTPL	As at 31 March 2023	6.99	-	-	-
Compulsorily convertible preference shares measured at FVTPL	As at 31 March 2022	18,280.42	-	-	18,280.42

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 2023 and 31 March 2022.

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.



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 2023 and 31 March 2022

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 2023	31 March 2022
Gross carrying amount	13.84	52.21
Expected loss rate	23.12%	4.28%
Expected credit losses (Loss allowance provision)	3.20	2.23
Carrying amount of trade receivables (net of impairment)	10.64	49.98

ii) Cash and cash equivalents

The Company holds cash and cash equivalents of Rs. 271.00 millions as at 31 March 2023 (31 March 2022: Rs.87.12 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.



Bluestone Jewellery and Lifestyle Private Limited

CIN: U72900KA2011PTC059678

Notes to the financial statements for the year ended 31 March 2023

(All amounts are in INR million unless otherwise stated)

(i) 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
As at 31 March 2023						
Loans and borrowings	2,284.18	2,284.18	1,841.99	276.85	158.34	6.99
Gold on loan	2,212.42	2,212.42	2,212.42	-	-	-
Lease liabilities	3,729.31	3,729.31	235.79	703.10	1,532.57	1,257.86
Trade and other payables	783.77	783.77	783.77	-	-	-
Other financial liabilities	3,174.62	3,174.62	1,563.99	1,610.63	-	-
	12,184.30	12,184.29	6,637.95	2,590.58	1,690.91	1,264.85

Particulars	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
As at 31 March 2022						
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	-	-
	23,145.73	23,145.73	2,497.60	1,017.88	1,349.83	18,280.42

ii) Financing arrangement

The Company had Rs. 54.05 Million (31 March 2022: Rs. 39.17 Million) 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 2023 and 31 March 2022

Particulars	31-Mar-23		31-Mar-22	
	Foreign Currency	Rs in millions	Foreign Currency	Rs in millions
Financial liabilities				
Trade Payables:				
- US Dollars	0.05	4.90	0.02	1.19



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 2023	31 March 2022
Variable-rate instruments	792.48	97.52
Total Borrowings	792.48	97.52

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 u

Particulars	Profit or loss	
	1% increase	1% decrease
Variable rate borrowings as at 31 March 2023	(7.92)	7.92
Variable rate borrowings as at 31 March 2022	(0.98)	0.98

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. 2,212.42 Million as at 31 March 2023 (31 March 2022: Rs. 828.48 Million).

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 2023	As at 31 March 2022
Total borrowings	2,284.18	18,496.93
Less: Cash and cash equivalents including book overdraft (refer note 7.3)	271.00	87.12
Adjusted net debt	2,013.18	18,409.81
Total equity	(718.26)	(18,362.33)
Adjusted net debt to adjusted equity ratio	(2.80)	(1.00)



34 Analytical Ratios

Ratio	Methodology	31 March 2023	31 March 2022	% change from 31 March 2022 to 31 March 2023	Explanation for the variance (March 2023 vs March 2022)
a) Current Ratio	Current assets over current liabilities	0.92	0.95	-4%	Movement due to reduction in losses.
b) Debt - Equity Ratio	Debt ⁽⁴⁾ over total shareholders' equity	(8.37)	(1.11)	652%	
c) Debt Service Coverage Ratio	EBIT ⁽¹⁾ over current debt	(0.17)	(0.02)	926%	Movement due to reduction in losses.
d) Return on Equity Ratio	PAT ⁽³⁾ over total average equity	-18%	-105%	-83%	Movement due to reduction in losses.
e) Inventory Turnover Ratio	Cost of goods sold over average inventory	1.87	2.70	-31%	Movement increase in inventory.
f) Trade receivables turnover ratio	Revenue from operations over average trade receivables	254.29	126.60	101%	Increase is due to increase in revenue
g) Trade payables turnover ratio	Net credit purchases ⁽⁵⁾ over average trade payables	9.69	8.07	20%	Increase is due to increase in revenue
h) Net Capital Turnover Ratio	Revenue from operations over average working capital	(19.57)	(73.12)	-73%	
i) Net Profit Ratio	Net profit over revenue	-22%	-275%	-92%	Movement due to reduction in losses and increase in revenue.
j) Return on Capital Employed	PBIT ⁽²⁾ over average capital employed ⁽⁶⁾	-118%	-12867%	-99%	Movement due to reduction in losses.
k) Return on Investment	Profit before tax over total assets	-13%	-225%	-94%	Movement due to reduction in losses.

Notes

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

35 Relationship with struck off companies

31 March 2023

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
SAUSHA R&D Private Limited	Payable	0.60	Nil ⁽¹⁾
Nova Technosys Private Limited	Payable	0.03	Nil ⁽²⁾

- During the financial year 2022-2023, the Company made purchases of INR 5.50 mio, which was settled during the year and an advance payment of 0.60 remains outstanding as at year end.
- There were no transactions made during the financial year 2022-2023, the opening balance remains outstanding as at year end.

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 ⁽¹⁾
RANK INTERNATIONAL PRIVATE LIMITED	Payable	(0.21)	Nil ⁽²⁾
HARI BHAGWATI GEMS (INDIA) PRIVATE LIMITED	Payable	0.02	Nil ⁽³⁾
AGLOW STARS CARE PRIVATE LIMITED	Payable	-	Nil ⁽⁴⁾
HONEY EXPORTS PRIVATE LIMITED	Payable	0.03	Nil ⁽⁵⁾
MARS ENTERPRISES PRIVATE LIMITED	Payable	-	Nil ⁽⁶⁾

- 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.
- 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.
- During the financial year 2021-2022, the Company made purchases of INR 0.20 mio and INR 0.22 mio was paid.
- During the financial year 2021-2022, the Company made purchases of INR 0.10 mio which was settled during the year.
- 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.
- During the financial year 2021-2022, the Company made purchases of INR 0.10 mio which was settled during the year.



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. Refer note 2.18.

The information relating to revenue from external customers has been disclosed as given below:

A) Revenue from operations	For the year ended 31 March 2023	For the year ended 31 March 2022
Particulars		
Domestic	7,707.26	4,613.58
Export	7,707.26	4,613.58
Total		

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 2022 - 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. During the year ended March 31, 2023, 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.

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, 2023, 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).



42 The Company evaluated all events or transactions that occurred after 31 March, 2023 up through 30 September, 2023, 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 funds as under:

- Rs. 3,500 Million against issue of 0.1% Series G 11,114,992 Compulsorily Convertible Preference Shares (CCPS) of ₹10 per CCPS at a premium of Rs. 304.89 per CCPS
- Rs. 1,940 million against issue of non-convertible debentures from various lenders.
- Rs. 200 million through working capital loan from Oxyzo Financial Services Private Limited.

2. The Company has increased its Authorised share capital from Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) to Rs. 34,00,00,000/- (Rupees Thirty four Crores Only).

43 Previous period's figures have been regrouped/ reclassified, wherever necessary, to conform to current year classification.

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: September 30, 2023




Sameer Dilip Nath
Director

DIN No: 07551506
Place: **Mumbai**
Date: September 30, 2023



Rumit Duger
Chief Financial Officer
Place: **Mumbai**
Date: September 30, 2023

