

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.008072S)



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

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

Particulars	Notes	As at 31 March 2023	As at 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	215.26	102.74
Non-current tax assets (net)	8	12.72	7.45
Deferred tax assets (net)	9	-	-
Other non-current assets	10	661.63	339.40
Total non-current assets		5,344.93	2,603.09
Current assets			
Inventories	11	3,953.17	1,661.23
Financial assets			
i) Loans	7.1	12.07	9.08
ii) Trade receivables	7.2	10.54	49.98
iii) Cash and cash equivalents	7.3 A	271.00	87.12
iv) Bank balances other than (iii) above	7.3 B	2,318.62	924.50
v) Other financial assets	7.4	521.96	167.97
Other current assets	10	122.49	105.03
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	92.20	9.88
Other equity	13	(810.55)	(18,372.31)
Total Equity		(718.26)	(18,362.33)
Non-current liabilities			
Financial liabilities			
i) Borrowings	14.1 A	442.19	18,360.85
ii) Lease liabilities	14.4	3,818.98	1,754.40
iii) Other financial liabilities	14.5	1,610.63	675.63
Provisions	15	45.79	33.02
Total non-current liabilities		5,417.59	20,823.30
Current liabilities			
Financial liabilities			
i) Borrowings	14.1 B	1,841.99	136.08
ii) Gold on loan	14.2	2,212.42	828.48
iii) Lease liabilities	14.4	430.33	191.35
iv) Trade payables			
(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	652.62	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

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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

Saimer 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		
<i>The notes are an integral part of these financial statements</i>			

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



Bluestone Jewellery and Lifestyle Private Limited
CIN: U72900KA2011FTC059678
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			
Adjustments for non cash items and other adjustments:			
Depreciation and amortisation	23	516.94	220.69
Expense on employee stock option scheme	21	194.47	27.12
Finance costs	22	653.25	107.53
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)	19	3.94	(1.49)
Provision for expected credit loss	24	0.96	1.66
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		(300.57)	(301.91)
Working capital adjustments:		(3,291.94)	(1,007.21)
(Increase)/ decrease in inventories		38.38	(28.93)
(Increase)/ decrease in trade receivables		(2.99)	0.23
(Increase)/ decrease in loans		(534.80)	(176.68)
(Increase)/ decrease in other financial assets		(410.90)	(249.52)
Increase/ decrease in other assets		50.32	361.01
Increase / (decrease) in trade payables		1,383.94	493.44
Increase / (decrease) in gold on loan		2,025.35	764.44
Increase / (decrease) in other financial liabilities		(253.92)	168.71
Increase / (decrease) in provisions		573.70	232.03
Increase / (decrease) in other current liabilities			
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		(1,394.11)	(514.58)
(Purchase)/ Redemption of deposits accounts with maturity more than 12 months		(900.74)	(286.66)
Purchase of property, plant and equipment, including intangible assets and capital advances		189.54	64.27
Proceeds from sale of property, plant and equipment		57.01	23.18
Interest received on fixed deposits		(2,648.30)	(713.83)
Net cash flows used in investing activities (B)			
C. Cash flows from financing activities		(434.10)	(33.55)
Interest paid (Refer note b(i) below)		50.20	0.89
Proceeds from issue of equity shares		755.89	473.50
Proceeds from issue of preference shares (Refer note b(ii) below)		1,162.50	144.61
Proceeds from non current borrowings (Refer note b (i) below)		963.19	75.83
Proceeds from current borrowings (Refer note b(i) below)		(65.01)	(56.70)
Repayment of borrowings (Refer note b(i) below)		(512.93)	(150.78)
Repayment of lease liability (Refer note b(iii) below)		1,960.84	453.80
Net cash from financing activities (C)			
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			Additions (Net)	Cashflows	March 31, 2022
		Fair value changes	Finance cost accrued during the year				
i) Borrowings	57.02	-	29.30	-	-	130.19	216.51
ii) Preference shares classified as financial liability	5,557.18	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	-	-	-	-	-	0.88	-

Particulars	April 01, 2022	Non cash changes			Additions (Net)	Cashflows	March 31, 2023
		Fair value changes	Finance cost accrued during the year				
i) Borrowings	216.51	-	434.30	-	-	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	-	-	-	-	-	756.95	-
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

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: 03674879

Place: Bengaluru

Date: September 30, 2023

Sameer Dilip Nath

Director

DIN No: 07351505

Place: Mumbai

Date: September 30, 2023

[Signature]

Rumit Dugar

Chief Financial Officer

Place: Mumbai

Date: September 30, 2023



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)	16,936,728	16.34
As at 31 March 2023		18,751,920	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: 0080725)

Manisha Parikh

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

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

Rumit Duggar

Rumit Duggar
Chief Financial Officer
Place: Mumbai
Date: September 30, 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 are subject to interpretation. It establishes provisions or makes 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.



Bluestone Jewellery and Lifestyle Private Limited

CIN: U72900KA2011PTC059678

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

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.



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)

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	54.81	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 31 March 2023	As at 31 March 2022
Tangible	8.01	2.88
Total	8.01	2.88

CWIP ageing schedule:

Particulars	As at 31 March 2023	As at 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	-	-
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.



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(All amounts are in INR million unless otherwise stated)

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 31 March 2023	As at 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 31 March 2023	As at 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 31 March 2023	As at 31 March 2022
Not later than one year	667.01	333.50
Later than one year but within five years	2,609.71	1,334.75
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 31 March 2023	As at 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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Notes to the financial statements for the year ended 31 March 2023

(All amounts are in INR million unless otherwise stated)

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

Fixed deposit accounts with bank (original maturity more than 3 months but less than 12 months)*	2,307.69	913.58
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

Particulars	As at 31 March 2023	As at 31 March 2022
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



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	661.65	339.40
i) Unsecured, considered good	168.75	99.80
ii) Unsecured, considered doubtful	(168.75)	(99.80)
Less: Provision for doubtful balances with Government authorities		
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	1,662.23

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	As at 31 March 2023	As at 31 March 2022
Particulars		
Authorized share capital		
Equity shares	85.29	3.70
68,290,700 Equity shares of Rs. 1 each (as at March 31, 2022: 3,700,000)		
Compulsorily Convertible Preference Shares	6.10	6.10
609,594 CCPS of Series A of Rs. 10 each (as at March 31, 2022: 609,594)	1.87	1.87
186,982 CCPS of Series B of Rs. 10 each (as at March 31, 2022: 186,982)	0.89	0.89
88,624 CCPS of Series B1 of Rs. 10 each (as at March 31, 2022: 88,624)	13.40	13.40
1,339,659 CCPS of Series B2 of Rs. 10 each (as at March 31, 2022: 1,339,659)	1.28	1.28
128,207 CCPS of Series B3 of Rs. 10 each (as at March 31, 2022: 128,207)	14.17	14.17
1,417,252 CCPS of Series C of Rs. 10 each (as at March 31, 2022: 1,417,252)	19.80	19.80
1,980,112 CCPS of Series D of Rs. 10 each (as at March 31, 2022: 1,980,112)	6.25	6.25
625,000 CCPS of Series D1 of Rs. 10 each (as at March 31, 2022: 625,000)	6.00	6.00
600,000 CCPS of Series D2 of Rs. 10 each (as at March 31, 2022: 600,000)	3.00	3.00
300,000 CCPS of Series D3 of Rs. 10 each (as at March 31, 2022: 300,000)	1.69	1.69
1,69,122 CCPS of Series E of Rs. 10 each (as at March 31, 2022: 1,69,122)	0.07	0.07
7,292 CCPS of Series E1 of Rs. 10 each (as at March 31, 2022: 7,292)	3.96	3.96
395,840 CCPS of Series E2 of Rs. 10 each (as at March 31, 2022: 395,840)	2.23	2.23
323,246 CCPS of Series F of Rs. 10 each (as at March 31, 2022: 323,246)	150.00	85.41
Issued, subscribed and paid-up share capital		
Equity share capital issued	18.16	1.82
18,151,920 Equity shares of Rs. 1 each, fully paid up (as at March 31, 2022: 1,815,192)		
	18.16	1.82
Equity component of Compulsorily Convertible Preference Shares (CCPS)	6.09	4.37
609,594 Series A CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: 457,246)	1.87	-
186,982 Series B CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	0.89	-
88,624 Series B1 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	13.40	-
1,339,659 Series B2 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	1.28	-
128,207 Series B3 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	14.17	-
1,417,252 Series C CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	19.41	-
1,980,112 Series D CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	4.17	-
416,865 Series D1 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	3.59	3.55
359,257 Series D2 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: 359,257)	1.11	-
110,754 Series D3 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	1.53	-
153,495 Series E CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	0.15	-
15,626 Series E1 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	3.96	-
395,840 Series E2 CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)	2.51	-
250,658 Series F CCPS of Rs. 10 each, fully paid up (as at March 31, 2022: NIL)		
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	8.90
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	3.53	-	-
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)	88,524	0.89		
Total	88,524	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	19.43		
Total	1,940,933	19.43		
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)				
Total	359,257	3.59	359,257	3.59
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		

