

## 6 Leases

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

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

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

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



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

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

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

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

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

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

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

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

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

D. Details of rent

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



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7 Financial assets

7.1 Loans

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

7.2 Trade receivables

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

Trade receivables Ageing Schedule- Gross  
Ageing as at March 31, 2022

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

Ageing as at March 31, 2021

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

Ageing as at March 31, 2020

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



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7.3 Cash and bank balances			
Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>7.3 A Cash and cash equivalents</b>			
Cash on hand	4.39	3.33	0.15
Balances with banks			
- in current accounts	9.82	28.08	48.37
- in bank deposits (with original maturity of 3 months or less)	72.91	65.00	-
<b>Total cash and cash equivalents</b>	<b>87.12</b>	<b>96.41</b>	<b>48.52</b>
<b>7.3 B Other bank balances</b>			
Fixed deposit accounts with bank (original maturity more than 3 months but less than 12 months)	913.58	399.00	32.60
Margin money deposits *	10.92	10.92	10.85
<b>Total other bank balances</b>	<b>924.50</b>	<b>409.92</b>	<b>43.45</b>
*Represents deposits given as security against bank guarantee.			
<b>7.4 Other financial assets</b>			
Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-current</b>			
Rental and other deposits	102.74	33.19	33.21
<b>Total</b>	<b>102.74</b>	<b>33.19</b>	<b>33.21</b>
Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
Rental and other deposits	56.99	30.31	10.33
Interest accrued but not due on fixed deposits with banks	14.49	7.27	1.26
Other receivables:			
Unsecured, Considered good	96.49	39.37	46.54
Unsecured, Considered doubtful	1.71	1.71	1.10
Less : Provision for other Receivables	(1.71)	(1.71)	(1.16)
<b>Total</b>	<b>167.97</b>	<b>76.90</b>	<b>58.13</b>
<b>B Non-current tax assets (net)</b>			
Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Advance income tax (Net of provision for tax 31 March 2022- Nil, 31 March 2021- Nil, 01 April 2020 -Nil)	7.45	2.83	1.91
<b>Total Non-current tax assets (net)</b>	<b>7.45</b>	<b>2.83</b>	<b>1.91</b>



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9 Deferred tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Deferred tax assets (Refer Note 268)	-	71.01	71.01
<b>Total Deferred tax assets (net)</b>	-	<b>71.01</b>	<b>71.01</b>

10 Other assets

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Other non-current assets</b>			
Balance with Government authorities			
i) Unsecured, considered good	339.40	150.13	142.71
ii) Unsecured, considered doubtful	99.80	99.80	94.98
Less: Provision for doubtful balances with Government authorities	(99.80)	(99.80)	(94.98)
<b>Total</b>	<b>339.40</b>	<b>150.13</b>	<b>142.71</b>
<b>Other current assets</b>			
Advance to suppliers	99.64	43.21	78.47
Prepaid expense	6.39	11.26	3.15
<b>Total</b>	<b>106.03</b>	<b>54.47</b>	<b>81.57</b>

11 Inventories

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Raw materials	480.18	155.40	102.82
Work-in-progress	1.05	2.64	4.99
Finished goods	1,175.92	493.78	373.16
Packing materials	4.08	2.13	1.07
<b>Total</b>	<b>1,661.23</b>	<b>654.01</b>	<b>432.04</b>

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

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



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12 Share capital  
Particulars

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Authorized share capital</b>			
Equity shares			
3,700,000 Equity shares of Rs. 1 each (as at March 31, 2021: 3,700,000, 01 April 2020: 3,700,000)	3.70	3.70	3.70
<b>Compulsorily Convertible Preference Shares</b>			
609,594 CCPS of Series A of Rs. 10 each (as at March 31, 2021: 609,594, 01 April 2020: 612,000)	6.10	6.10	6.12
186,982 CCPS of Series B of ₹10 each, (as at March 31, 2021: 186,982, 01 April 2020: 188,000)	1.87	1.87	1.88
88,624 CCPS of Series B1 of ₹10 each, (as at March 31, 2021: 88,624, 01 April 2020: 88,800)	0.89	0.89	0.89
1,339,659 CCPS of Series B2 of ₹10 each, (as at March 31, 2021: 1,339,659, 01 April 2020: 1,382,900)	13.40	13.40	13.83
128,267 CCPS of Series B3 of ₹10 each, (as at March 31, 2021: 128,267, 01 April 2020: 144,230)	1.28	1.28	1.44
1,417,252 CCPS of Series C of ₹10 each, (as at March 31, 2021: 2,139,368, 01 April 2020: 2,230,000)	14.17	21.39	22.30
1,980,112 CCPS of Series D of ₹10 each, (as at March 31, 2021: 2,000,000, 01 April 2020: 2,000,000)	19.80	20.00	20.00
625,000 CCPS of Series D1 of ₹10 each, (as at March 31, 2021: 625,000, 01 April 2020: 625,000)	6.25	6.25	6.25
600,000 CCPS of Series D2 of ₹10 each (as at March 31, 2021: 600,000, 01 April 2020: 600,000)	6.00	6.00	6.00
300,000 CCPS of Series D3 of ₹10 each, (as at March 31, 2021: 300,000, 01 April 2020: 300,000)	3.00	3.00	3.00
169,122 CCPS of Series E of ₹10 each, (as at March 31, 2021: 153,496, 01 April 2020: NIL)	1.69	1.53	-
7,292 CCPS of Series E1 of ₹10 each, (as at March 31, 2021: NIL, 01 April 2020: NIL)	0.07	-	-
394,240 CCPS of Series E2 of ₹10 each, (as at March 31, 2021: NIL, 01 April 2020: NIL)	3.96	-	-
323,246 CCPS of Series F of ₹10 each, (as at March 31, 2021: NIL, 01 April 2020: NIL)	3.23	-	-
	85.41	85.41	85.41
<b>Issued, subscribed and paid-up share capital</b>			
<b>Equity share capital issued</b>			
1,815,192 Equity shares of Rs. 1 each, fully paid up (as at March 31, 2021: 1,244,455, 01 April 2020: 1,244,455)	1.82	0.92	1.24
Less: 323,326 Treasury shares	1.82	0.92	(0.32)
			0.92
<b>Equity component of Compulsorily Convertible Preference Shares (CCPS)</b>			
457,246 Series A CCPS of Rs. 10 each, fully paid up (as at March 31, 2021: 457,246, 01 April 2020: 457,246)	4.57	4.57	4.57
359,257 Series D2 CCPS of Rs. 10 each, fully paid up (as at March 31, 2021: 359,257, 01 April 2020: 359,257)	3.59	3.59	3.59
	9.98	9.08	9.08
<b>Total share capital</b>			
	9.98	9.08	9.08

Number of shares have been disclosed in absolute terms.

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

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



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

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

Subsequent to the year end, the Company has initiated the process for obtaining waiver of the buy back clause contained in the agreements with the Series A (partly), B, B1, B2, B3, C, D, D1, D2, D3 and E CCPS holders including the subsequently issued Series F.

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

Name of the shareholder	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number of shares held	% holding	Number of shares held	% holding	Number of shares held	% holding
<b>Equity Shares :</b>						
Ganesh K	209,296	12%	209,296	23%	209,296	23%
Gaurav Singh Kushwaha	1,395,000	77%	901,937	54%	501,937	54%
Srinivas Anumolu	209,296	12%	209,296	23%	209,296	23%
<b>Compulsorily convertible preference shares</b>						
<b>Series A</b>						
ACCCEL India III (Mauritius) Ltd	457,246	100%	457,246	100%	457,246	100%
<b>Series D2</b>						
Accel India III (Mauritius) Ltd	128,304	36%	128,304	36%	128,304	36%
Suma Capital II Ltd	26,043	7%	26,043	7%	26,043	7%
Vistra ITCL (India) Limited	31,251	9%	31,251	9%	31,251	9%
Iron Pillar Fund I Ltd	127,614	36%	127,614	36%	127,614	36%

**12 (e) Shareholding of promoters:**

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Equity shares of Rs 1 each			
No. of shares held	-	-	-
% of shares held	-	-	-
% change during the year	-	-	-

**Note :**

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



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13 Other equity

Particulars		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Securities premium	(i)	492.23	492.23	492.23
Retained earnings	(ii)	(19,076.06)	(6,351.97)	(6,077.14)
Employee Stock Options Outstanding	(iii)	208.88	181.76	172.73
Items of Other Comprehensive Income	(iv)	2.64	2.47	1.90
<b>Total other equity</b>		<b>(18,372.51)</b>	<b>(5,715.51)</b>	<b>(5,410.28)</b>

(i) Securities premium

Particulars		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Opening balance		492.23	492.23	3,722.21
Premium received on issue of equity shares		485.89	145.61	372.87
Less: Transaction Costs		-	-	(0.15)
Add / (Less) : Impact due to Ind AS adjustments		(485.89)	(145.61)	(3,552.70)
<b>Closing balance</b>		<b>492.23</b>	<b>492.23</b>	<b>492.23</b>

(ii) Retained earnings

Particulars		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Opening balance		(6,351.97)	(6,077.14)	(5,835.82)
Add: Profit/(Loss) during the year		(12,684.09)	(314.83)	(241.37)
<b>Closing balance</b>		<b>(19,076.06)</b>	<b>(6,351.97)</b>	<b>(6,077.14)</b>

(iii) Employee Stock Options Outstanding

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

(iv) Items of Other Comprehensive Income

Particulars		As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Opening balance		2.47	1.90	-
Actuarial Gain on remeasurement of defined benefit liability (net of tax)		0.17	0.57	1.90
<b>Closing balance</b>		<b>2.64</b>	<b>2.47</b>	<b>1.90</b>
<b>Total other equity</b>		<b>(18,372.51)</b>	<b>(5,715.51)</b>	<b>(5,410.28)</b>

Nature and purpose of other equity

(i) Securities Premium:

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

(ii) Retained earnings:

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

(iii) Employee Stock Options Outstanding:

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

(iv) Other comprehensive income:

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



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14 Financial liabilities

14.1 A Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-Current</b>			
<b>Secured, measured at amortised cost</b>			
Term Loans from Banks and Financial Institutions (refer note (a) below)	140.68	52.79	51.76
Less: Current maturities of long-term debt (refer note 14.1 B)	(60.25)	(3.52)	(51.76)
	80.43	48.97	-
<b>Unsecured, measured at FVTPL</b>			
<b>Liability component of Compulsorily Convertible Preference Shares (Refer note 12 (c))</b>			
Compulsorily convertible preference shares of Rs. 10 each Series A 152,348 shares (As on 31 March 2021: 152,348 shares, As on 1 April 2020: 152,348 shares)	455.85	145.24	146.19
Compulsorily convertible preference shares of Rs. 10 each Series B 186,982 shares (As on 31 March 2021: 186,982 shares, As on 1 April 2020: 186,982 shares)	559.47	179.49	179.43
Compulsorily convertible preference shares of Rs. 10 each Series B1 88,624 shares (As on 31 March 2021: 88,624 shares, As on 1 April 2020: 88,624 shares)	285.17	85.07	85.04
Compulsorily convertible preference shares of Rs. 10 each Series B2 1,339,659 shares (As on 31 March 2021: 1,339,659 shares, As on 1 April 2020: 1,339,659 shares)	4,008.43	1,285.95	1,285.54
Compulsorily convertible preference shares of Rs. 10 each Series B3 128,207 shares (As on 31 March 2021: 128,207 shares, As on 1 April 2020: 128,207 shares)	383.61	123.07	123.03
Compulsorily convertible preference shares of Rs. 10 each Series C 1,417,252 shares (As on 31 March 2021: 1,417,252 shares, As on 1 April 2020: 1,417,252 shares)	4,240.60	1,360.43	1,360.00
Compulsorily convertible preference shares of Rs. 10 each Series D 1,940,933 shares (As on 31 March 2021: 1,940,933 shares, As on 1 April 2020: 1,940,933 shares)	5,807.52	1,863.13	1,862.51
Compulsorily convertible preference shares of Rs. 10 each Series D1 416,865 shares (As on 31 March 2021: 416,865 shares, As on 1 April 2020: 416,865 shares)	1,247.31	400.15	400.00
Compulsorily convertible preference shares of Rs. 10 each Series D3 110,754 shares (As on 31 March 2021: 110,754 shares, As on 1 April 2020: 110,754 shares)	331.39	106.31	106.28
Compulsorily convertible preference shares of Rs. 10 each Series E 169,122 shares (As on 31 March 2021: 169,122 shares, As on 1 April 2020: Nil shares)	506.05	147.34	-
Compulsorily convertible preference shares of Rs. 10 each Series E2 395,840 shares (As on 31 March 2021: Nil shares, As on 1 April 2020: Nil shares)	475.01	-	-
<b>Unsecured, measured at FVTPL</b>			
<b>Liability component of Optionally Convertible Redeemable Preference Shares (Refer note 12 (c))</b>			
Optionally convertible preference shares of Rs. 10 each Series E1 7,292 partly paid shares (As on 31 March 2021: Nil shares, As on 1 April 2020: Nil shares)	0.01	-	-
	18,280.42	5,697.18	5,548.05
<b>Total</b>	18,360.85	5,746.05	5,548.05
<b>14.1 B Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 1 April 2020</b>
<b>Current</b>			
<b>Secured</b>			
Debentures	-	15.00	15.00
Current maturities of long-term debt (Refer note (a))	60.25	3.92	51.76
Bank overdraft (Refer note (a))	75.83	-	-
<b>Total</b>	136.08	18.92	66.76
<b>Total Borrowings</b>	18,496.93	5,764.97	5,614.81



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**Notes**

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

-Term loan from Innovent Capital India Private Limited of INR 43.38 million (as at 31 March 2021: Nil, and as at 1 April 2020: Nil) carry interest rate of 14.35% p.a. and to be repaid in 24 equal monthly instalments from September 2021. The loan is secured by way of first pari passu charge on the fixed and current assets of the Company and first and exclusive charge on the non-current assets of the Company including all the intellectual property and right, except the fixed deposit placed with the bank for overdraft facilities and gold loans, by way of hypothecation.

-Emergency Credit Line Guarantee Scheme (ECLGS) loan from HDFC Bank Limited of INR 49.85 million (as at 31 March 2021: Nil, and as at 1 April 2020: Nil) to be repaid in 36 equal monthly instalments from January 2022 with interest at MCLR + 0.55% spread. The facility is covered by 100% guarantee from NCGTC (National Credit Guarantee Trustee Company Ltd) Ministry of Finance, Government of India. The facility is secured by way of extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of bank.

-Emergency Credit Line Guarantee Scheme (ECLGS) loan from HDFC Bank Limited of INR 47.77 million (as at 31 March 2021: Nil, and as at 1 April 2020: Nil) to be repaid in 36 equal monthly instalments from January 2022 with interest at MCLR + 0.30% spread. The facility is covered by 100% guarantee from NCGTC (National Credit Guarantee Trustee Company Ltd) Ministry of Finance, Government of India. The facility is secured by way of extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of bank.

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

- Bank Overdraft includes the following:

- Cash Credit/Overdraft facility availed from HDFC Bank Limited of INR 47.08 million (as at 31 March 2021: Nil, and as at 1 April 2020: Nil) on which interest shall be paid monthly at the rate mutually decided. The facility is secured by way of pari-passu charge on current assets and fixed assets of the company and fixed deposits to the tune of 30% of exposure.

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

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

For the quarter ended	Sanctioned amount to which discrepancy relates to (in million)	Details of discrepancies					Remarks (including subsequent rectification, if any)
		Nature of current assets	Nature of discrepancy	Amount (in million)			
				Amount as per Quarterly returns and statements	As per unaudited books of accounts	Difference	
HDFC BANK							
31-Mar-21	50.00	Inventory	Impact of Ind AS transition and book closure entries	778.97	1,661.23	(882.26)	The difference is due to following reasons: (i) Impact of transition to Ind AS where in transfer of goods to the franchisee does not meet the definition of transfer of control. Thus, inventory lying at the franchisee location is included in as inventory of the Company as at the year end. Franchisee has the ability to obtain credit on such inventory and hence, this is not included as inventory in the statements submitted by the Company to the banks; and (ii) Book closure entries
ICI BANK							
30-Sep-21	65.00			520.00	524.67	(4.67)	
31-Dec-21				828.70	832.52	(4.22)	
31-Mar-22		774.90	1,661.23	(886.33)			

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

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



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14.2 Gold on loan

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

Notes

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

14.3 Trade payables

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

Disclosure in respect of Micro and Small Enterprises:

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



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Trade payables Ageing Schedule

Ageing as at March 31, 2022

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

Ageing as at March 31, 2021

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

Ageing as at 01 April 2020

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

14.4 Lease liabilities

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



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

14.5 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-current</b>			
Deposit made by franchisee	675.03	270.58	220.55
<b>Total</b>	<b>675.03</b>	<b>270.58</b>	<b>220.55</b>

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

15 Provisions

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Non-current</b>			
Provision for employee benefits	23.47	19.69	16.80
Provision for gratuity (refer note 25)	9.55	8.81	8.02
Provision for compensated absence (refer note 25)	-	105.21	105.21
Provision for Phantom options (Refer note 37)	33.02	133.71	130.03
<b>Total</b>			

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
<b>Current</b>			
Provision for contingencies (Refer note 39)	-	47.12	-
Provision for employee benefits	1.59	1.51	1.17
Provision for gratuity (refer note 25)	0.79	0.72	0.65
Provision for compensated absence (refer note 25)	269.09	-	-
Provision for Phantom options (Refer note 37)	271.47	49.35	1.82
<b>Total</b>			

16 Other liabilities

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



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

17	<b>Revenue from operations</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
	<b>Particulars</b>		
	Sale of products	4,613.58	2,445.56
	Manufactured goods	4,613.58	2,445.56
	<b>Total revenue from operations</b>		
	<b>(B) IND AS 115 - Revenue from contract with customers</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
	<b>Particulars</b>		
	Revenue from contract with customers - Sale of products	4,613.58	2,445.56
	<b>Total revenue from operations</b>	<b>4,613.58</b>	<b>2,445.56</b>
	India	4,613.58	2,445.56
	Outside India	4,613.58	2,445.56
	<b>Total revenue from operations</b>		
	<b>Timing of revenue operation</b>	<b>4,613.58</b>	<b>2,445.56</b>
	At a point in time	-	-
	Over a period of time	4,613.58	2,445.56
	<b>Total revenue from operations</b>		
	<b>(C) Contract balances</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
	<b>Particulars</b>		
	Contract liabilities	348.58	239.14
	Advance from customers (refer note 16)		
18	<b>Other Income</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
	<b>Particulars</b>		
	Interest on fixed deposits and others	30.41	9.55
	Profit on sale of property plant and equipment (net)	1.46	0.33
	Liabilities no longer required written back	46.17	13.58
	Provision for contingencies reversed (refer note 29)	47.12	-
	Unwinding of interest on financial assets carried at amortized cost	7.09	2.84
	Gain on termination of lease	3.71	3.96
	Rent waiver on lease liabilities	13.83	43.20
	Miscellaneous Income	3.31	4.39
	<b>Total other income</b>	<b>153.13</b>	<b>75.45</b>
19	<b>Cost of raw materials consumed</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
	<b>Particulars</b>		
	Raw material consumed	155.46	102.82
	Inventory at the beginning of the year	4,179.97	1,824.66
	Add: Purchases	480.18	155.40
	Less: Inventory at the end of the year	3,805.25	1,877.02
	<b>Total consumption</b>		
20	<b>Change in inventories of finished goods and work-in-progress</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
	<b>Particulars</b>		
	Inventories at the end of the year	1,175.92	893.78
	Finished goods	1.65	2.64
	Work-in-progress		
	Inventories at the beginning of the year	493.78	321.15
	Finished goods	2.64	4.39
	Work-in-progress	(620.55)	(168.27)
	<b>Net change</b>		
21	<b>Employee benefits expense</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
	<b>Particulars</b>		
	Salaries and wages	350.48	192.54
	Contribution to provident and other funds (Refer note 25)	13.24	8.40
	Gratuity expenses (Refer note 25)	7.50	5.88
	Expense on employee stock option scheme (Refer note 30)	27.12	9.03
	Staff welfare expenses	20.19	11.75
	<b>Total employee benefits expense</b>	<b>418.53</b>	<b>227.60</b>



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

22 Finance costs	For the year ended 31 March 2022	For the year ended 31 March 2021
Particulars		
Interest on:		
Term loans from banks	27.99	8.45
Debentures	-	2.40
Delayed payment of taxes	0.23	0.84
Franchisee	78.22	42.89
Lease liability	77.58	25.43
Bank charges	1.05	3.01
Other borrowing costs	1.32	1.36
<b>Total finance costs</b>	<b>187.67</b>	<b>94.38</b>

23 Depreciation and amortization expense	For the year ended 31 March 2022	For the year ended 31 March 2021
Particulars		
Depreciation of property, plant and equipment (refer note 3)	44.58	54.80
Amortization of other intangible assets (refer note 5)	2.30	1.56
Depreciation of right to use assets (refer note 6)	173.75	94.63
<b>Total depreciation and amortization expense</b>	<b>220.63</b>	<b>151.00</b>

24 Other expenses	For the year ended 31 March 2022	For the year ended 31 March 2021
Particulars		
Power and fuel	18.53	9.56
Certification & hallmarking charges	33.15	15.53
Job work charges	137.06	89.53
Consumables	24.15	8.33
Security charges	10.78	6.09
Insurance	12.98	2.12
Repairs and maintenance		
- Buildings	3.34	2.45
- Vehicles	2.58	0.97
Rates and taxes		
Advertisement & marketing Cost	473.03	203.69
Payment gateway charges	46.02	23.25
Shipping charges	36.10	29.48
Brokerage & commission	210.14	116.84
Office maintenance		
Printing & stationery expenses	6.54	2.54
Postage and courier charges	1.26	0.86
Software and web development charges	10.31	10.15
Recruitment charges	2.08	1.53
Bad trade receivables written off	0.34	0.08
Advances written off	8.71	-
Rent (refer note 8)	41.46	44.77
Legal and professional charges*	54.85	10.98
Travelling and conveyance expenses	19.17	5.57
Technology & communication expenses	16.86	12.21
Auditors remuneration (refer note (a) below)	9.10	1.96
Provision for doubtful advances and other assets	-	5.37
Provision for expected credit loss	1.86	-
Provision for contingencies (refer note 10)	-	47.12
Phantom options expense (refer note 37)	165.87	-
Office maintenance	45.17	19.45
Loss on sale of property, plant and equipment	-	-
Miscellaneous expenses	3.54	1.18
<b>Total other expenses</b>	<b>1,335.94</b>	<b>677.60</b>

\* Includes Rs 9 Million (March 31, 2021 - Nil) Payable to a firm in which the partner of the audit firm is a partner.

(a) Payment to Auditors	For the year ended 31 March 2022	For the year ended 31 March 2021
Particulars		
As auditor		
Statutory audit	8.90	1.90
Reimbursement of expenses	0.10	0.06
<b>Total</b>	<b>9.00</b>	<b>1.96</b>

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



*(Signature)*



25. Employee benefits

i. Defined contribution plan

The Company has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any construction obligation. The expense recognized during the period towards defined contribution plan is as under:

Particulars	31 March 2022	31 March 2021
Employer's Contribution to Provident Fund	11.79	8.90
Employer's Contribution to Employee State Insurance Corporation	0.45	0.52
Employer's Contribution to Labour welfare fund	10.05	10.03
Expenses recognized during the year	12.29	9.45

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 retired employees, at

a) Reconciliation of the projected benefit obligations

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Change in projected benefit obligations:			
Obligations at beginning of the year	21.02	13.80	16.41
Service cost	5.96	4.83	3.42
Interest on defined benefit obligation	1.39	1.22	1.28
Benefits settled	(3.17)	(3.06)	(1.16)
Actuarial (gain)/ loss	(8.17)	(8.53)	(1.74)
Obligations at the end of year	25.89	21.89	28.95
Reconciliation of present value of the obligation and the fair value of the plan assets:			
Closing obligations	25.89	21.89	28.95
Closing fair value of plan assets	75.48	23.03	18.35
Liability recognized in the balance sheet			
Net liability:	25.47	18.86	16.80
Non-current	1.59	1.34	1.25
Current			

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

Particulars	31 March 2022	31 March 2021
Service cost	5.96	4.83
Interest cost	1.40	1.22
Net benefit paid	-	-
Net gratuity cost	7.36	6.05

ii. Remeasurements recognized in Other Comprehensive Income

Particulars	31 March 2022	31 March 2021	1 April 2020
Actuarial (gain)/ loss on defined benefit obligation:			
Changes in demographic assumptions	-	-	0.00
Changes in financial assumptions	(1.40)	0.24	1.42
Experience variance (i.e. Actual experience vs assumptions)	1.12	(0.81)	(3.72)
Actuarial (gain)/ loss on net	(0.28)	0.57	(2.60)

c. Defined benefit obligation - Actuarial assumptions

(i) Actuarial assumptions:

Principal actuarial assumptions at the reporting date:

Particulars	31 March 2022	31 March 2021	1 April 2020
Discount rate	7.15%	6.95%	6.75%
Salary increase	8.00%	8.00%	8.00%
Attrition rate:			
- Up to 44 years	8.00%	8.00%	8.00%
- Above 44 years	2.00%	1.00%	1.00%
Mortality rate	100% of IAM	100% of IAM	100% of IAM
	2012-14	2012-14	2012-14
Retirement Age (years)	58	58	58

(ii) Sensitivity analysis

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

Particulars	31 March 2022	31 March 2021
Discount Rate (+/- 1%)	22.45	20.57
Salary Increase Rate (+/- 1%)	27.25	22.72
Attrition Rate (+/- 50% of attrition rate)	24.48	25.42
Mortality Rate (+/- 10% of mortality rate)	25.06	23.00

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

Particulars	31 March 2022	31 March 2021
Projected benefits payable in future years		
1st following year	1.19	1.34
2nd to 5th year	9.38	9.80
6th to 10 years	9.38	9.80
More than 10 years	90.15	40.15



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8. 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 31 March 2022	As at 31 March 2021	As at 1 April 2020
Change in projected benefit obligation:			
Obligations at beginning of the year	9.53	8.67	17.48
Service cost	3.56	3.93	2.05
Interest on defined benefit obligation	0.63	0.58	0.50
Benefits settled	(0.74)	(0.47)	(0.05)
Actuarial gain/loss	(2.64)	(2.28)	(5.98)
Obligations at the end of year	10.34	9.53	8.67

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

Closing obligations	10.34	9.53	8.67
Closing fair value of plan assets	-	-	-
Liability recognised in the balance sheet	10.34	9.53	8.67
Net liability:			
Non-current	9.52	8.81	8.02
Current	0.79	0.72	0.65

(i) Expenses recognized in Statement of Profit and Loss:

Particulars	31 March 2022	31 March 2021
Current service cost	3.56	3.94
Past service cost	-	-
Net interest Cost / (Income) (the Net Defined Benefit Liability / Asset)	0.58	0.90
Actuarial gain/loss	(2.64)	(2.30)
Net benefit cost	1.50	2.54
Net interest Cost / (Income) the Net Defined Benefit Liability / Asset	0.58	0.90

Defined benefit obligation - Actuarial assumptions

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:

Particulars	31 March 2022	31 March 2021	1 April 2020
Discount rate	7.15%	6.65%	6.75%
Salary increase	8.00%	8.00%	8.00%
Attrition rate:			
- Up to 45 years	6.00%	6.00%	6.00%
- Above 45 years	2.00%	2.00%	2.00%
Mortality rate	100% of IAM 2012-14	100% of IAM 2012-14	100% of IAM 2012-14
Retirement Age (years)	58	58	58
Proportion of Leave Encashment	5.00%	5.00%	5.00%
Proportion of Leave Encashment on separation	95.00%	95.00%	95.00%

(ii) Sensitivity analysis

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

Particulars	Increase	Decrease	Increase	Decrease
Discount Rate (+/- 2%)	9.30	11.57	8.58	10.71
Salary Growth Rate (+/- 1%)	11.55	8.30	10.09	8.54
Attrition Rate (+/- 50% of attrition rate)	10.16	10.63	9.24	9.89
Mortality Rate (+/- 10% of mortality rate)	10.34	10.34	9.53	9.53

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

Particulars	31 March 2022	31 March 2021
Projected benefits payable in future years		
1st following year	9.79	9.72
2nd to 5th year	8.11	7.77
6th to 10 years	6.33	5.77
More than 10 years	18.65	17.77



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26 Income Taxes

A Amount recognized in Statement of Profit or Loss

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

B Income tax recognized in Other Comprehensive Income

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

C Reconciliation of effective tax rate

Particulars	For the year ended	
	31 March 2022	31 March 2021
Loss before tax	(12,613.06)	(314.83)
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 2022, 31 March 2021 and 1 April 2020

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

E Deferred tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Deferred tax asset and liabilities are attributable to the following:			
Deferred tax asset:			
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
Deferred tax Asset / (Liability), net	-	71.01	71.01
Deferred tax asset recognized in the Balance Sheet	-	71.01	71.01

Note :

Deferred tax assets has not been recognised on business loss of Rs 3,398.35 Million (March 31, 2021: Rs 3,324.01 Million, April 1, 2020: Rs 3,341.46 Million), unabsorbed depreciation of Rs 135.28 Million (March 31, 2021: Rs 110.68 Million, April 1, 2020: Rs 110.88 Million) and deductible temporary differences of Rs. 85.02 Million, since recovery is not considered probable in the foreseeable future.



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F Deferred tax (assets)/liabilities:

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

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



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

27 Related party disclosures

(i) Names of related parties and description of relationship

A. Related party where control exists

Relationship

Key Management Personnel (KMP)

Directors

Related Parties

Mr. Gaurav Singh Kushwaha, Chairman, CEO and Director

Mr. Prashanth Prakash

Mr. Vikram Gupta

Mr. Sameer Dilip Nath

Mr. Suresh Shanmugham

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

Mrs Arpita Tomar, Relative of KMP

ii) Related party transactions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year 1 April 2020
Remuneration paid to Key Management Personnel			
Gaurav Singh Kushwaha	2.51	12.67	12.50
Borrowings taken			
Prashanth Prakash	-	-	4.00
Borrowings repaid			
Prashanth Prakash	-	-	4.00
Right shares issued			
Gaurav Singh Kushwaha	0.89	-	-
Sale of products			
Arpita Tomar	1.47	-	-

iii) Amounts outstanding as at the balance sheet date

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year 1 April 2020
Trade payables			
Gaurav Singh Kushwaha	11.67	9.34	13.86

Note :-

- Related parties are as identified by the Management and relied up on by the auditors.
- 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 2022	For the year ended 31 March 2021
Profit / (Loss) after tax for calculating basic and diluted EPS	(12,684.05)	(314.83)
Weighted average number of shares (refer note below)	1,815,192	922,129
Earnings per share		
- Basic (Rupees/share)	(6,987.74)	(341.42)
- Diluted (Rupees/share)	(6,987.74)	(341.42)

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

## Reconciliation of shares used in computing earnings per share

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

## 29 Expenditure on Corporate Social Responsibility (CSR)

As per Section 135 of The Companies Act, 2013, a Company meeting the applicable threshold, needs to spend at least 2% of its average net profits for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

Since the Company is in losses, the provisions of Section 135 are not applicable to the Company and hence no expenditure has been incurred during the year.

## 30 Employee Stock Option Plan

The ESOP scheme titled Bluestone Jewellery and Lifestyle Employee 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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**Bluestone Jewellery and Lifestyle Private Limited**

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

(All amounts are in INR million unless otherwise stated)

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

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

**Fair value measurement**

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

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

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

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

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



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31 Financial Instruments - Fair value measurement

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amortised cost	Fair value through profit or loss	Amortised cost	Fair value through profit or loss
<b>Financial assets</b>				
Loans	9.08	-	9.31	-
Trade receivables	49.98	-	22.90	-
Cash and cash equivalents	87.12	-	56.41	-
Bank balances other than above	924.50	-	408.92	-
Other financial assets	270.71	-	110.09	-
<b>Total assets</b>	<b>1,341.39</b>	<b>-</b>	<b>648.63</b>	<b>-</b>
<b>Financial liabilities</b>				
Borrowings	216.51	18,280.42	67.79	5,697.18
Trade payables	733.45	-	372.44	-
Other financial liabilities	1,141.12	-	427.10	-
<b>Total liabilities</b>	<b>2,091.08</b>	<b>18,280.42</b>	<b>867.32</b>	<b>5,697.18</b>

b Measurement of fair values

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

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

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

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

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

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

Financial Instruments

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

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

Transfers between Level 1, Level 2 and Level 3

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

Determination of fair values

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

i) The fair values of other current financial assets and financial liabilities are considered to be equivalent to their carrying values.

ii) The fair values of liability component of Compulsorily Convertible Preference Shares is included at the amount at which the instrument could be redeemed in a current transaction between willing parties other than in a forced or liquidation sale.

iii) 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





### 32 Financial instruments - risk management

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

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

#### (a) Risk management framework

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

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

#### (b) Credit risk

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

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

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

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

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

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

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

#### ii) Cash and cash equivalents

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

#### iii) Other financial assets

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

#### (c) Liquidity risk

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

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



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**Bluestone Jewellery and Lifestyle Private Limited**

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

(All amounts are in INR million unless otherwise stated)

**(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
<b>As at 31 March 2022</b>						
Loans and borrowings	18,496.93	18,496.93	136.08	-	80.43	18,280.42
Gold on loan	828.48	828.48	828.48	-	-	-
Lease liabilities	1,945.75	1,945.75	333.50	342.85	1,269.40	-
Trade and other payables	733.45	733.45	733.45	-	-	-
Other financial liabilities	1,141.12	1,141.12	466.09	675.03	-	-
	<b>23,145.73</b>	<b>23,145.73</b>	<b>2,497.60</b>	<b>1,017.88</b>	<b>1,349.83</b>	<b>18,280.42</b>

Particulars	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
<b>As at 31 March 2021</b>						
Loans and borrowings	5,764.97	5,764.97	18.92	16.50	32.37	5,697.18
Gold on loan	335.04	335.04	335.04	-	-	-
Lease liabilities	668.30	668.30	174.50	341.08	152.77	-
Trade and other payables	372.44	372.44	372.44	-	-	-
Other financial liabilities	427.09	427.09	156.51	270.58	-	-
	<b>7,567.84</b>	<b>7,567.84</b>	<b>1,057.41</b>	<b>628.16</b>	<b>185.09</b>	<b>5,697.18</b>

Particulars	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
<b>As at 1 April 2020</b>						
Loans and borrowings	5,614.81	5,614.81	66.76	-	-	5,548.06
Gold on loan	65.59	65.59	65.59	-	-	-
Lease liabilities	448.91	448.91	190.14	184.68	164.09	-
Trade and other payables	285.56	285.56	285.56	-	-	-
Other financial liabilities	276.95	276.95	56.40	220.55	-	-
	<b>6,691.82</b>	<b>6,691.82</b>	<b>574.45</b>	<b>405.23</b>	<b>164.09</b>	<b>5,548.06</b>

**ii) Financing arrangement**

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

**(d) Market risk**

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

**i) Currency risk**

The Company's functional 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 in the Company's overall debt position in rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency.

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

**Currency exposure as at 31 March 2022 and 31 March 2021**

Particulars	31-Mar-22		31-Mar-21	
	Foreign Currency	Rs in millions	Foreign Currency	Rs in millions
<b>Financial liabilities</b>				
Trade Payables:				
- US Dollars	0.02	1.19	0.00	0.01



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ii) **Interest rate risk**

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

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

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

**Exposure to interest rate risk:**

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

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

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

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

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

iii) **Commodity price risk**

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

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

33 **Capital management**

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

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

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

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

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Total borrowings	18,486.93	5,764.97	5,614.80
Less: Cash and cash equivalents including bank overdraft (refer note 7.3)	87.12	96.43	49.52
<b>Adjusted net debt</b>	<b>18,409.81</b>	<b>5,668.56</b>	<b>5,565.28</b>
Total equity	(18,362.33)	(5,706.43)	(5,401.20)
Less: Other components of equity	(18,372.31)	(5,715.51)	(5,410.28)
<b>Adjusted equity</b>	<b>9.98</b>	<b>9.08</b>	<b>9.08</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>1,844.63</b>	<b>624.00</b>	<b>612.97</b>



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### 34 Analytical Ratios

Ratio	Methodology	31 March 2022	31 March 2021	% change from 31 March 2022 to 31 March 2021	Explanation for the variance (March 2022 vs March 2021)
a) Current Ratio	Current assets over current liabilities	0.95	1.01	-6%	Movement due to increase in debt during the year
b) Debt - Equity Ratio	Debt <sup>(1)</sup> over total shareholders' equity	(1.11)	(1.13)	-2%	
c) Debt Service Coverage Ratio	EBIT <sup>(2)</sup> over current debt	(0.02)	(0.03)	-52%	
d) Return on Equity Ratio	PAT <sup>(3)</sup> over total average equity	-105%	-9%	1759%	Movement is due to increase in losses arising out of fair value loss on financial liabilities and movement in equity during the year
e) Inventory Turnover Ratio	Cost of goods sold over average inventory	2.70	3.14	-14%	Increase is due to increase in revenue
f) Trade receivables turnover ratio	Revenue from operations over average trade receivables	126.60	64.81	95%	
g) Trade payables turnover ratio	Net credit purchases <sup>(4)</sup> over average trade payables	8.07	7.34	11%	
h) Net Capital Turnover Ratio	Revenue from operations over average working capital	(73.12)	40.35	-281%	Movement is mainly due to increase in current liabilities during the year
i) Net Profit Ratio	Net profit over revenue	-275%	-13%	2036%	
j) Return on Capital Employed	PBIT <sup>(5)</sup> over average capital employed <sup>(6)</sup>	-12867%	-163%	7843%	
k) Return on Investment	Profit before tax over total assets	-225%	-13%	1567%	Movement is due to increase in losses during the year mainly arising out of fair value loss on financial liabilities

#### Notes

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

### 35 Relationship with struck off companies

#### 31 March 2022

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

- 1) During the financial year 2021-2022, the Company made purchases of INR 1.07 mio out of which INR 1.01 mio was settled during the year.
- 2) During the financial year 2021-2022, the Company made purchases of INR 3.83 mio out of which INR 3.65 mio was settled during the year.
- 3) During the financial year 2021-2022, the Company made purchases of INR 0.20 mio. During the year INR 0.22 mio was paid.
- 4) During the financial year 2021-2022, the Company made purchases of INR 0.10 mio which was settled during the year.
- 5) During the financial year 2021-2022, the Company made purchases of INR 1.00 mio which was settled during the year and considering the balance of the previous years, there is advance outstanding of INR 0.03 mio in the books of accounts.
- 6) During the financial year 2021-2022, the Company made purchases of INR 0.10 mio which was settled during the year.

#### 31 March 2021

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

- 1) During the financial year 2020-2021, the Company made purchases of INR 0.22 mio which was settled during the year.
- 2) During the financial year 2020-2021, the Company made purchases of INR 0.87 mio which was settled during the year. However upon considering the opening balance there is an advance outstanding of INR 0.03 mio in the books of accounts.
- 3) During the financial year 2020-2021, the Company made purchases of INR 0.97 mio out of which INR 1.28 mio was settled during the year. However upon considering the opening balance there is a payable outstanding of INR 0.03 mio in the books of accounts.

**36 Operating segments**

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

**A) Revenue from operations**

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

**37 Phantom option scheme**

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

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

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

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

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

**39 During the year ended March 31, 2021 the Company had provided INR 47.12 Million on estimated basis as contingencies towards certain indirect taxes claims. During the year ended March 31, 2022, the Company has repaid these amounts and the provision has been reversed.****40 Code of Social Security**

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

**41 Other statutory information**

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 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:
  - 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 to or on behalf of the Ultimate Beneficiaries
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - 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.
- 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).



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#### 42 Explanation of transition to Ind AS

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

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

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

#### A Optional exemptions availed

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

As per Ind AS 101 an entity may elect to:

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

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

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

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

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

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

##### 2. Share based payment

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

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

#### B Mandatory Exceptions

##### 1. Estimates

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

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

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

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

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

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

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

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

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



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42 Explanation of transition to Ind AS (Continued)

Reconciliation of assets and liabilities as at 1 April 2020 and 31 March 2021

Particulars	Note	As at the date of transition 1 April 2020			As at 31 March 2021		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS	Previous GAAP*	Effect of transition to Ind AS	Ind AS
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment		68.40	-	68.40	114.08	-	114.08
Right of use assets	A	-	439.27	439.27	-	632.75	632.75
Capital work-in-progress		23.10	-	23.10	2.32	-	2.32
Other intangible assets		2.56	-	2.56	3.35	-	3.35
Financial assets							
i) Loans	D	1.24	(1.24)	-	1.24	(1.24)	-
ii) Other financial assets	B	57.83	(24.62)	33.21	22.83	10.36	33.19
Deferred tax assets (net)		71.01	-	71.01	71.01	-	71.01
Other non-current assets		144.62	-	144.62	152.96	-	152.96
<b>Total non-current assets</b>		<b>368.76</b>	<b>413.41</b>	<b>782.17</b>	<b>367.79</b>	<b>641.87</b>	<b>1,009.66</b>
<b>Current assets</b>							
Inventories	H	323.17	108.87	432.04	318.16	335.85	654.01
Financial assets							
i) Loans		9.64	-	9.64	9.31	-	9.31
ii) Trade receivables	C	184.63	(132.07)	52.56	237.64	(214.74)	22.90
iii) Cash and cash equivalents		49.52	-	49.52	96.41	-	96.41
iv) Bank balances other than (iii) above		43.45	-	43.45	409.92	-	409.92
v) Other financial assets	C	82.42	(24.29)	58.13	131.78	(54.88)	76.90
Other current assets	B	1.26	80.31	81.57	7.27	47.20	54.47
<b>Total current assets</b>		<b>694.09</b>	<b>32.82</b>	<b>726.91</b>	<b>1,210.48</b>	<b>113.43</b>	<b>1,323.92</b>
<b>Total Assets</b>		<b>1,062.85</b>	<b>446.23</b>	<b>1,509.08</b>	<b>1,578.27</b>	<b>755.30</b>	<b>2,333.58</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
Equity share capital	D, E	67.23	(58.15)	9.08	68.76	(59.68)	9.08
Other equity							
Retained earnings	A-H	196.89	(5,607.16)	(5,410.28)	211.44	(5,926.95)	(5,715.51)
<b>Total equity</b>		<b>264.11</b>	<b>(5,665.31)</b>	<b>(5,401.20)</b>	<b>280.20</b>	<b>(5,966.63)</b>	<b>(5,706.43)</b>
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Financial Liabilities							
i) Borrowings	E, F	-	5,548.05	5,548.05	48.87	5,697.18	5,746.05
ii) Lease liabilities	A	-	390.03	390.03	-	581.67	581.67
iii) Other Financial liabilities	H	-	220.55	220.55	-	270.58	270.58
Provisions		130.03	-	130.03	133.71	-	133.71
Other non-current liabilities	H	158.32	(158.32)	-	48.08	(48.08)	-
<b>Total non-current liabilities</b>		<b>288.35</b>	<b>6,000.31</b>	<b>6,288.66</b>	<b>230.66</b>	<b>6,501.35</b>	<b>6,732.01</b>
<b>Current liabilities</b>							
Financial Liabilities							
i) Borrowings	F	80.59	51.76	132.35	350.04	3.92	353.96
ii) Lease liabilities	A	-	58.88	58.88	-	86.63	86.63
iii) Trade payables		285.54	-	285.54	372.44	-	372.44
iv) Other financial liabilities	H	-	56.40	56.40	-	156.51	156.51
Provisions		1.82	-	1.82	49.35	-	49.35
Other current liabilities	H	142.44	(55.83)	86.61	295.57	(6.46)	289.11
<b>Total current liabilities</b>		<b>510.39</b>	<b>111.21</b>	<b>621.60</b>	<b>1,067.40</b>	<b>240.60</b>	<b>1,308.00</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,062.85</b>	<b>446.21</b>	<b>1,509.06</b>	<b>1,578.26</b>	<b>755.31</b>	<b>2,333.57</b>

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



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Bluestone Jewellery and Lifestyle Private Limited

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

(All amounts are in INR million unless otherwise stated)

42. Explanation of transition to Ind AS (Continued)

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

Particulars	Note	Year ended 31 March 2021	
		Previous GAAP*	Ind AS
Revenue from operations	H	2,690.81	2,445.56
Other income	H	76.47	76.45
<b>Total income</b>		<b>2,717.28</b>	<b>2,522.01</b>
<b>Expenses:</b>			
Cost of raw materials consumed	H	1,890.31	1,872.02
Change in inventories of finished goods, work-in-progress and stock-in-trade	H	58.71	(168.27)
Employee benefits expense	D, G	224.68	227.92
Finance costs	B, E, F	14.10	94.38
Fair value loss on financial liabilities at fair value through profit or loss		1.79	1.79
Depreciation and amortization expense	A	36.77	131.40
Other expenses	H	628.52	677.60
<b>Total expenses</b>		<b>2,854.89</b>	<b>2,836.84</b>
<b>Loss before tax</b>		<b>(137.62)</b>	<b>(314.83)</b>
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>Loss for the year</b>		<b>(137.62)</b>	<b>(314.83)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit liability (asset)	G	-	0.57
<b>Other comprehensive income/ (loss)</b>		<b>-</b>	<b>0.57</b>
<b>Total comprehensive income/ (loss) for the year</b>		<b>(137.62)</b>	<b>(114.26)</b>

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

A. Reconciliation of Equity

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



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**B Reconciliation of Total Comprehensive Income**

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

**Notes to the reconciliations**

**A Leases**

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

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

**B Discounting of security deposit**

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

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

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

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

**D ESOP Trust**

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

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

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

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

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

**E Compulsorily convertible preference shares**

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





**F Borrowings**

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

**G Actuarial gain/losses**

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

**H Revenue**

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

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

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



for and on behalf of Board of directors of  
Bluestone Jewellery and Lifestyle Private Limited  
CIN: U72900KA7011PTC059678

Gaurav Singh Kushwaha  
Managing Director

DIN No: 01674879

Place: Bengaluru

Date: 30 September 2022

Sameer Dilip Nath  
Director

DIN No: 07551506

Place: Bengaluru

Date: 30 September 2022

Runit Dugar

Chief Financial Officer

Place: Bengaluru

Date: 30 September 2022

Roopa Hegde

Company Secretary

Place: Bengaluru

Date: 30 September 2022

