



12. COMPOSITION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, the board of directors of the company was duly constituted. The directors and key managerial personnel as on 31st March, 2024 are as follows:

SL No.	Name of Directors	DIN/ PAN	Designation
1.	Mr. Prashanth Prakash	00041560	Director
2.	Mr. Gaurav Singh Kushwaha	01674879	Managing Director
3.	Mr. Vikram Gupta	03358337	Nominee Director
4.	Mr. Sameer Dileep Nath	07551506	Director
5.	Mr. Rumi Dugar	AEXPD0410L	Chief Financial Officer
6.	Ms. Roopa Hegde*	AKKPH5860K	Company Secretary
7.	Ms. Jasmeet Kaur Saluja **	HDUPS8651F	Company Secretary

*Ms. Roopa Hegde, Company Secretary of the Company resigned from the office on 14th April, 2023.

**Ms. Jasmeet Kaur Saluja has been appointed as Company Secretary of the Company with effect from 19th March, 2024.

13. MEETINGS HELD DURING THE FINANCIAL YEAR:

The Board of Directors holds meetings at regular intervals, with no more than 120 days between consecutive meetings. During the period from April 1, 2023, to March 31, 2024, the Board met 21 times on the following dates:

Sr. No.	Date of Board Meetings	Number of Directors entitled to attend the Meeting	Number of Directors attended the Meeting
1.	13.04.2023	4	4
2.	26.04.2023	4	4
3.	28.04.2023	4	4
4.	05.05.2023	4	4
5.	23.05.2023	4	4
6.	30.05.2023	4	4
7.	12.06.2023	4	4
8.	16.06.2023	4	4
9.	01.08.2023	4	4
10.	01.09.2023	4	4
11.	05.09.2023	4	4
12.	13.09.2023	4	4
13.	16.09.2023	4	4
14.	30.09.2023	4	4

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15.	11.11.2023	4	4
16.	17.01.2024	4	4
17.	31.01.2024	4	4
18.	09.02.2024	4	4
19.	26.02.2024	4	4
20.	16.03.2024	4	4
21.	19.03.2024	4	4

The minutes of the meetings of the board of directors are maintained according to the provisions of secretarial standards and the Companies Act, 2013. Further the record of attendance of directors to the board meeting for the period under review is as follows:

Director	Board meetings during period 2023-24	
	Entitled to attend	Attended
Mr. Prashanth Prakash	21	21
Mr. Gaurav Singh Kushwaha	21	21
Mr. Vikram Gupta	21	21
Mr. Sameer Dileep Nath	21	21

Further, the Shareholders have met on the following dates during Financial Year 2023-24:

SR. No.	Date	Type of General Meeting
1.	11.04.2023	Extra-ordinary General Meeting
2.	19.08.2023	Extra-ordinary General Meeting
3.	20.09.2023	Extra-ordinary General Meeting
4.	18.11.2023	Extra-ordinary General Meeting
5.	23.03.2024	Extra-ordinary General Meeting
6.	30.09.2023	Annual General Meeting

14. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

As of March 31, 2024, the provisions of Section 177 of the Companies Act, 2013, along with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013, are not applicable to the Company.

15. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178:

The provision of Section 178 of Companies Act, 2013 are not applicable to the Company for the year ended 31st March, 2024.

16. DECLARATION OF INDEPENDENT DIRECTORS:

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The provisions of Section 149 pertaining to the appointment of Independent Directors are not applicable to our Company for the year ended 31st March, 2024.

17. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with Section 134(5) of the Companies Act, 2013, the Board submits the following responsibility statement:

- (a) The annual accounts have been prepared in compliance with the applicable accounting standards, with appropriate explanations provided for any material departures;
- (b) The directors have selected and consistently applied accounting policies and made reasonable and prudent judgments and estimates, ensuring a true and fair view of the Company's state of affairs at the end of the financial year and of its loss for that period;
- (c) The directors have taken proper and sufficient measures to maintain adequate accounting records as required by the Act, ensuring the safeguarding of the Company's assets and the prevention and detection of fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis; and
- (e) The directors have established effective systems to ensure compliance with all applicable laws, and these systems are adequate and operating effectively.

18. RISK MANAGEMENT POLICY OF THE COMPANY:

In today's economic climate, effective risk management is crucial for business success. The primary objective of risk management is to identify, monitor, and implement precautionary measures for events that could pose risks to the business. Our Company integrates risk management into its business processes, and we have identified the following risks:

Key Risks	Mitigation Policies
Interest Rate Risk	The Company is subject to fluctuations in interest rates, influenced by various factors, including changes in Repo Rates set by the Reserve Bank of India. To mitigate this risk, we employ a mix of fixed and floating interest rate borrowings.
Human Resources Risk	We consistently benchmark against industry-leading HR practices and implement necessary improvements to attract and retain top talent.
Competition Risk	We are committed to continuously investing in our brand, enhancing customer experience, and improving our products.
Industrial Safety, Employee Health and Safety Risk	We consistently benchmark and invest in developing and implementing critical safety standards across all factory

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	departments, while identifying and addressing training needs at every employee level.
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19. STATUTORY AUDITORS:

M/s. M S K A & Associates, Chartered Accountants, Mumbai (FRN: 105047W) were appointed as Statutory Auditors of the Company at the annual general meeting of the Company held on 30th September, 2023 for a period of five years until the conclusion of annual general meeting of the Company to be held for the financial year 2027-28 i.e. for a period of 5 years.

As required under the provisions of the Section 139(1) of the Companies Act, 2013, the Company has received a certificate from M/s. M S K A & Associates, Chartered Accountants that they are eligible to hold office as the Statutory Auditors of the Company and are not disqualified and that there would be in conformity with the limits specified in the Section.

20. OBSERVATIONS OF THE STATUTORY AUDITOR'S ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2024:

The statutory auditors of the Company have made no observations or qualifications. Their remarks in the report for the financial year ended March 31, 2024, are self-explanatory and are detailed in the financial statements for that year.

21. FRAUD REPORTING:

The report of statutory auditors of the Company has not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

22. INTERNAL AUDITOR:

In accordance with Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Board has appointed M/s. KRPR & Associates, Chartered Accountants, Pune, as the Company's Internal Auditors. The internal auditors submit their reports periodically to the Board for review and consideration.

Based on these internal audit reports, management takes corrective actions in the respective areas to strengthen controls and enhance operational efficiency.

23. SECRETARIAL AUDIT:

In accordance with Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mrs. Kalaivani S, Practicing Company Secretary from Bangalore, was appointed to conduct the secretarial audit for the financial year 2023-24. The secretarial auditor reported no qualifications for the period under review.

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24. DETAILS OF INTERNAL FINANCIAL CONTROLS:

- a. Your directors report that the Company has maintained internal controls that are appropriate for its size and the nature of its operations. Effective monitoring procedures are in place to ensure the accuracy and timeliness of financial reporting and compliance with statutory requirements. Comprehensive policies, guidelines, and delegation of powers are established to ensure compliance throughout the Company.
- b. To ensure accuracy in financial reporting, the Company has implemented various checks and balances, including periodic reconciliation of major accounts, thorough account reviews, balance confirmations, and a robust approval mechanism.
- c. The Company has documented all major processes related to expenses, bank transactions, payments, statutory compliance, and period-end financial accounting. Continuous efforts are made to align these processes and controls with industry best practices.

25. MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There are no material changes and commitments between the end of the financial year and the date of the report, which affect the financial position of the Company.

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the financial year under review, no orders have been passed by the regulators/courts/tribunals impacting the going concern status and the Company's operations in future.

27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not given any loan, guarantees or investment covered under the provisions of Section 186 of the Companies Act, 2013.

28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The transactions, contracts, and arrangements entered into by the Company with related parties, as defined under Section 2(76) of the Companies Act, 2013, during the financial year under review were conducted in the ordinary course of business and on an arm's length basis. Therefore, reporting in Form AOC-2 is not required for these related party transactions.

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29. EXTRACT OF ANNUAL RETURN:

In accordance with Section 92(3) of the Companies Act, 2013, every company must place a copy of its annual return on its website, if one is maintained. The annual return, as required by the Companies Act, 2013, will be filed with the Registrar of Companies and will be accessible to the public on the Ministry of Corporate Affairs website at www.mca.gov.in.

30. MAINTANANCE OF COST RECORDS:

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. Consequently, this section is not applicable to the Company.

31. DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") INITIATIVES:

In accordance with Section 135 of the Companies Act, 2013 and the relevant rules, companies that meet the criteria specified under this section are required to form a CSR committee, establish a CSR policy, and spend the prescribed amount on CSR activities as outlined in Schedule VII of the Companies Act, 2013.

However, since your Company does not meet the criteria specified in this section, it is not required to form a CSR committee, engage in CSR spending, or develop a CSR policy during the period under review.

32. DETAILS OF THE APPLICATION MADE OR ANY PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 AND STATUS OF APPLICATION FILED AT YEAR END:

As of March 31, 2024, there were no applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 that require disclosure.

33. DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONETIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANK AND FINANCIAL INSTITUTION:

During the year under review, there were no one-time settlements of loans with banks or financial institutions.

34. INVESTORS' EDUCATION AND PROTECTION FUND:

In accordance with the applicable provisions of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends must be transferred by the Company to the Investor Education

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and Protection Fund (IEPF) established by the Government of India after seven years. Additionally, shares on which dividends have not been paid or claimed by shareholders for seven consecutive years or more must be transferred to the DEMAT account of the IEPF Authority. During the year under review, there were no unpaid or unclaimed amounts that needed to be transferred to the IEPF account.

35. CREDIT RATING OF SECURITIES:

Your Company did not obtain any credit ratings for its securities during the year. Consequently, this clause is not applicable to the Company.

36. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 AND INTERNAL COMPLAINT COMMITTEE:

The Company has implemented a sexual harassment policy in accordance with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition, and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been established to address any complaints related to sexual harassment, and the policy covers all employees, including permanent, contractual, temporary, and trainees.

The summary of sexual harassment complaints for the period under review is as follows:

- a) Number of complaints at the start of the year: 0
- b) Number of complaints at the end of the year: 0
- c) Number of complaints received during the year: 0

37. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT-GOINGS:

(A) Conservation of Energy

Steps taken / impact on conservation of energy.	As the Company is not classified as an energy-intensive industry, the particulars required under Section 134(3)(m) read with Sub-rule 3 of Rule 8 of the Companies (Accounts) Rules, 2014, are not included in this Board of Directors' Report. Nevertheless, the Company is committed to conserving and minimizing energy usage wherever possible.
(i) Steps taken by the company for utilizing alternate sources of energy including waste generated	Not Applicable
(ii) Capital investment on energy conservation equipment	Not Applicable



Total energy consumption and energy consumption per unit of production as per Form A	Not Applicable
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(B) Technology Absorption

Efforts in brief, made towards technology absorption, adaptation and innovation	Not Applicable
Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	Not Applicable
In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	
Technology imported	Not Applicable
Year of Import	Not Applicable
Whether the technology been fully absorbed	Not Applicable
If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	Not Applicable
Expenditure incurred on Research and Development	NIL

(C) Foreign Exchange Earnings and Outgo:

There were no foreign earnings during the period under review; however, the foreign expenditure for the period amounted to INR 3,02,06,303.

38. COMPLIANCE WITH SECRETARIAL STANDARDS:

Your Company has adhered to all provisions of the secretarial standards on board and general meetings, specifically SS-1 and SS-2, as issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

39. ACKNOWLEDGEMENT:

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Your directors wish to express their sincere gratitude for the assistance and cooperation received from Franchisees & Business Associates, Banks and Financing Agencies, Customers, and Suppliers.

They also extend their deep appreciation for the dedicated services of the executives, staff, and other employees of the Company. Additionally, your directors thank the shareholders for their continued confidence and support.

**For and on behalf of the Board of Directors of
Bluestone Jewellery and Lifestyle Private Limited**

Sameer Dilip Nath

Director

DIN:07551506

Add: Kismat Towers, 15th Floor, Off Perry
Cross Road, Bandra (West), Mumbai-400050.

Place: Mumbai

Date: 17th May, 2024

Gaurav Singh Kushwaha

Managing Director

DIN:01674879

Add: E501, Mantri Espana Kariyammuna
Agrahara, Outer Ring Road,
Bengaluru – 560103.

Place: Mumbai

Date: 17th May, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Bluestone Jewellery and Lifestyle Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bluestone Jewellery and Lifestyle Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and loss other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Other Matter

The financial statements of the Company for the year ended March 31, 2023, were audited by another auditor whose report dated September 30, 2023 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph (h)(vi) below on reporting under Rule 11(g).
- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever



by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, 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.
- (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi.
- (1) Based on our examination, the Company has used an accounting software for maintaining its books of account for the year ended 31 March, 2024, which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level throughout the said period in respect of the software (MS Navision) to log any direct data changes.

Further, the audit trail facility has been operated for the year ended 31 March, 2024 for all relevant transactions recorded in the accounting software, except for the software at the database level as stated above, in respect of which the audit trail facility has not operated for all the relevant transactions recorded in this accounting software throughout this period.

Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.

- (2) Based on our examination, the Company has used an accounting software for maintaining its books of accounts pertaining to payroll processing during the year ended March 31, 2024, which is operated by a third-party software service provider. In the absence of an independent service auditors report, we are unable to comment whether the software has a feature of recording audit trail (edit log) facility, nor are we able to comment on whether the audit trail feature was enabled in the said software and operated throughout the year for all relevant transactions recorded in the software. We are further unable to comment as to whether there were any instances of the audit trail feature been tampered with.



MSKA & Associates

Chartered Accountants

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 read with Schedule V of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ankush. A.

Ankush Agrawal
Partner
Membership No. 159694
UDIN: 24159694BKFHTD5565



Place: Mumbai
Date: 17 May 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF BLUESTONE JEWELLERY AND LIFESTYLE PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



MSKA & Associates

Chartered Accountants

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ankush A.

Ankush Agrawal
Partner

Membership No. 159694
UDIN: 24159694BKFHTD5565



Place: Mumbai
Date: 17 May 2024

MSKA & Associates

Chartered Accountants

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BLUESTONE JEWELLERY AND LIFESTYLE PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, plant and equipment and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of property, plant and equipment have been physically verified by Management during the year. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the provisions stated under clause 3(i)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks and/ financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the financial statements, quarterly returns / statements are filed with such banks or financial institutions are not in agreement with the books of accounts of the Company. Details of the same are as below:



Quarter Ended	Class of financial statement area	Amount as per quarterly return/ statement	Amount as per books of accounts (Unaudited)	Discrepancy*
<u>HDFC Bank & Kotak Bank</u>				
30-06-2023	Stock	3,622.57	3,581.69	40.88
	Debtor	680.66	690.69	(10.03)
	Creditor	221.42	945.11	(723.70)
30-09-2023	Stock	3,377.62	3,284.10	93.52
	Debtor	1,855.91	1,789.16	66.74
	Creditor	755.76	1,457.03	(701.27)
31-12-2023	Stock	5,097.24	5,165.55	(68.31)
	Debtor	3,918.05	3,934.84	(16.79)
	Creditor	1,318.76	1,798.59	(479.83)
31-03-2024	Stock	5,491.22	5,977.88	(486.66)
	Debtor	4,516.78	4,547.15	(30.37)
	Creditor	1,475.83	2,290.53	(814.70)
<u>ICICI Bank</u>				
30-06-2023	Stock	3,606.30	3,581.69	24.61
	Debtor	771.20	690.69	80.51
	Creditor	221.40	945.11	(723.71)
	Purchase	2,720.50	3,251.17	(530.67)
	Cash and Cash Equivalent	2,834.30	3,186.37	(352.07)
30-09-2023	Stock	3,362.60	3,284.10	78.50
	Debtor	1,887.40	1,789.16	98.24
	Creditor	755.80	1,457.03	(701.23)
	Purchase	4,155.90	3,610.40	545.50
	Cash and Cash Equivalent	6,183.10	6,276.04	(92.94)

*Differences on account of book closure entries and specific requirements by bank for the purpose of quarterly filings with respect to the above financial statement area.

- iii. According to the information explanation provided to us, the Company has not made any investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act, are applicable and accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company.



- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- vi. The provisions of sub-Section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products/ services of the Company. Accordingly, the provisions stated under clause 3(vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases with respect to income tax, provident fund, employees' state insurance and professional tax.

There are no undisputed amounts payable in respect of Goods and Services tax, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable. Undisputed amounts payable in respect of provident fund and professional tax in arrears, which were outstanding, as at March 31, 2024, for a period of more than six months from the date they became payable, are as follows:

Name of the statute	Nature of the dues	Amount Rs. In millions	Period to which the amount relates	Due Date	Date of Payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund - Karnataka	0.004	May-23	15-Jun-23	03-Apr-24
	Provident Fund - Karnataka	0.004	Jun-23	15-Jul-23	03-Apr-24
	Provident Fund - Maharashtra	0.004	Jun-23	15-Jul-23	05-Apr-24
	Provident Fund - Karnataka	0.004	Jul-23	15-Aug-23	03-Apr-24
	Provident Fund - Karnataka	0.008	Aug-23	15-Sep-23	03-Apr-24
The Nagaland Professions, Trades, Callings and Employments Taxation Act, 1968	Professional Tax	0.004	Jun 23 to Jan 24	Various dates	Remains unpaid till the date of audit report
The Gujarat State Tax on Profession, Trades, Callings and Employments Act, 1976	Professional Tax	0.002	Jun-23	15-Jul-23	Remains unpaid till the date of audit report
	Professional Tax	0.002	Jul-23	15-Aug-23	
	Professional Tax	0.004	Aug-23	15-Sep-23	



Name of the statute	Nature of the dues	Amount Rs. in millions	Period to which the amount relates	Due Date	Date of Payment
The Assam Professions, Trades, Callings and Employments Taxation Act, 1947	Professional Tax	0.0004	Apr-23	28-Jul-23	15-04-2024
	Professional Tax	0.0004	May-23	28-Aug-23	15-04-2024
	Professional Tax	0.0028	Jun-23	28-Sep-23	15-04-2024
The Odisha State Tax on Professions, Trades, Callings and Employments Act, 2000	Professional Tax	0.0013	Apr-23	31-Jul-23	15-04-2024
	Professional Tax	0.0015	May-23	31-Aug-23	15-04-2024
	Professional Tax	0.0028	Jun-23	30-Sep-23	15-04-2024
The West Bengal State Tax on Professions, Trades, Callings and Employments Rules, 1979	Professional Tax	0.0025	Apr-23	21-Jul-23	15-04-2024
	Professional Tax	0.0024	May-23	21-Aug-23	15-04-2024
	Professional Tax	0.0117	Jun-23	21-Sep-23	15-04-2024

- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender except in the following cases wherein the Company has defaulted in repayment of loans or borrowings or in payment of interest thereon, the details whereof are as follows:



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Nature of borrowing, including debt securities	Name of Lender	Amount not paid on due date (Rs. in millions)		No. of Days delay or unpaid	Remarks, if any
		Principal	Interest		
Financial Institution:					
Non-Convertible Debentures	Klub Works Private Limited	10.00	0.88	8	No such amount remains outstanding as at year end.
	Stride Fintree Private Limited	-	0.59	31	
Car Loan	BMW Financial Services	0.09	0.02	1	
	BMW Financial Services	0.09	0.04	1	
Working Capital Demand Loan	Capsave Finance Private Limited	-	1.96	1	No such amount remains outstanding as at year end.
	Capsave Finance Private Limited	-	0.06	3	
	Capsave Finance Private Limited	-	1.83	1	

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, reporting under clause 3(ix)(e) of the order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, reporting under clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment or private



placement of shares or fully, partly, or optionally convertible debentures during the year and the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with. The amount raised has been used for the purposes for which they were raised.

- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards. Further, the Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company. Accordingly, provisions stated under clause 3(xiii) of the Order insofar as it relates to section 177 of the Companies Act, 2013, is not applicable to the Company.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act in clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.



- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.
- xvii. Based on the overall review of Financial Statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows:
- | Particulars | March 31, 2024
(Rs. in millions) | March 31, 2023
(Rs. in millions) |
|-------------|-------------------------------------|-------------------------------------|
| Cash loss | 469.71 | 1,055.50 |
- xviii. There has been resignation of the statutory auditors during the year, there were no issues, objections or concerns raised by the outgoing auditor.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 42 to the Financial Statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, provisions of Section 135 of the Companies Act, 2013, are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.



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- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ankush A.

Ankush Agrawal
Partner
Membership No. 156694
UDIN: 24159694BKFHTD5565



Place: Mumbai
Date: May 17, 2024

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BLUESTONE JEWELLERY AND LIFESTYLE PRIVATE LIMITED

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Bluestone Jewellery and Lifestyle Private Limited on the Financial Statements for the year ended March 31, 2024

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

We have audited the internal financial controls with reference to financial statements of Bluestone Jewellery and Lifestyle Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company, including has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Managements' and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk



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that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With reference to financial statements

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Ankush A.

Ankush Agrawal

Partner

Membership No. 159694

UDIN: 24159694BKFTD5565



Place: Mumbai

Date: 17 May 2024

Bluestone Jewellery and Lifestyle Private Limited

Financials for the year ended
31 March 2024

Bluestone Jewellery and Lifestyle Private Limited
CIN: U72900KA2011PTC059678
Balance Sheet as at 31 March 2024
(All amounts are in INR million unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	3	1,238.25	853.38
Right-of-use assets	4	4,610.36	3,590.00
Capital work-in-progress	5	166.64	8.01
Other intangible assets	6	1.91	2.91
Financial assets			
i) Other financial assets	7	4,106.05	216.26
Non-current tax assets (net)	8	36.33	12.72
Deferred tax assets (net)	9	-	-
Other non-current assets	10	1,001.77	661.65
Total non-current assets		11,161.31	5,344.93
Current assets			
Inventories	11	9,912.21	3,953.17
Financial assets			
i) Loans	12	0.39	12.07
ii) Trade receivables	13	23.77	10.64
iii) Cash and cash equivalents	14	591.35	271.00
iv) Bank balances other than (iii) above	15	473.61	2,318.61
v) Other financial assets	7	2,193.96	521.96
Other current assets	10	178.32	122.49
Total current assets		13,373.61	7,209.94
Total assets		24,534.92	12,554.87
Equity and liabilities			
Equity			
Equity share capital	16	278.95	92.29
Other equity	17	3,482.77	(810.55)
Total Equity		3,741.72	(718.26)
Non-current liabilities			
Financial liabilities			
i) Borrowings	18	1,851.40	442.19
ii) Lease liabilities	19	4,301.18	3,318.98
iii) Other financial liabilities	20	325.10	1,610.63
Provisions	21	33.93	45.79
Total non-current liabilities		6,511.61	5,417.59



Bluestone Jewellery and Lifestyle Private Limited
CIN: U72900KA2011PTC069678
Balance Sheet as at 31 March 2024
(All amounts are in INR million unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
Current liabilities			
Financial liabilities			
i) Borrowings	18	2,452.86	1,841.89
ii) Gold on loan	22	4,424.61	2,212.42
iii) Lease liabilities	19	588.06	410.33
iv) Trade payables	23		
(e) Total outstanding dues of micro enterprises and small enterprises		418.55	130.95
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,748.94	652.82
v) Other financial liabilities	20	2,712.60	1,563.99
Provisions	21	20.52	3.22
Other current liabilities	24	1,915.45	1,039.82
Total current liabilities		14,281.59	7,855.54
Total liabilities		20,793.20	13,273.13
Total equity and liabilities		24,534.92	12,554.87

The accompanying notes are an integral part of these financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm registration number: 105047W

Ankush A.

Ankush Agrawal

Partner

Membership No: 159694



For and on behalf of Board of directors of

Bluestone Jewellery and Lifestyle Private Limited

CIN: U72900KA2011PTC069678

Gaurav Singh Kushwaha

Gaurav Singh Kushwaha

Managing Director

DIN No: 01674679

Sameer Dilip Nath

Sameer Dilip Nath

Director

DIN No: 07651506

Place: Mumbai

Date: 17 May 2024

Place: Mumbai

Date: 17 May 2024

Place: Mumbai

Date: 17 May 2024

Rumit Dugar

Rumit Dugar

Chief Financial Officer

Place: Mumbai

Date: 17 May 2024

Jasmeet Saluja

Jasmeet Saluja

Company Secretary

Place: Mumbai

Date: 17 May 2024

Bluestone Jewellery and Lifestyle Private Limited
CIN: U72900KA2011PTC059678
Statement of Profit and Loss for the year ended 31 March 2024
(All amounts are in INR million unless otherwise stated)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	25	12,858.39	7,707.26
Other income	26	376.52	171.68
Total income		13,034.91	7,878.94
Expenses			
Cost of raw materials consumed	27	12,346.71	7,176.00
Change in inventories of finished goods, work-in-progress and stock-in-trade	28	(4,803.30)	(1,924.79)
Employee benefits expense	29	1,384.25	911.96
Finance costs	30	1,376.71	686.85
Depreciation and amortization expense	31	952.66	616.94
Other expenses	32	3,200.24	2,104.42
Total expenses		14,457.27	8,551.38
Loss before tax		(1,422.36)	(1,672.44)
Tax expenses:			
Current tax	34	-	-
Deferred tax charge	34	-	-
Income tax expenses		-	-
Loss for the year	A	(1,422.36)	(1,672.44)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
i. Re-measurement of defined benefit liability/ (asset)	33	9.77	1.41
ii. Income tax on (i) above	34	-	-
Net other comprehensive income for the year, net of tax	B	9.77	1.41
Total comprehensive loss for the year	A+B	(1,412.59)	(1,671.03)
Earnings per share (in INR) (Nominal value of INR 1 each)			
Basic	36	(78.36)	(92.14)
Diluted	36	(78.36)	(92.14)

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

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm registration number: 105047W

Ankush A.

Ankush Agrawal

Partner

Membership No: 158694



Place: Mumbai

Date: 17 May 2024

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



Gaurav Singh Kushwaha

Gaurav Singh Kushwaha

Managing Director

DIN No: 01674879

Place: Mumbai

Date: 17 May 2024

Sameer Dilip Nath

Sameer Dilip Nath

Director

DIN No: 07551506

Place: Mumbai

Date: 17 May 2024

Rumit Dugar

Rumit Dugar

Chief Financial Officer

Place: Mumbai

Date: 17 May 2024

Jasmeet Saluja

Jasmeet Saluja

Company Secretary

Place: Mumbai

Date: 17 May 2024

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flows from operating activities			
Loss before tax		(1,422.38)	(1,672.44)
Adjustments for non cash items and other adjustments:			
Depreciation and amortisation	31	852.66	616.34
Expense on employee stock option scheme	29	292.58	194.47
Finance costs	30	1,386.03	653.25
Interest income	26	(250.56)	(97.88)
(Profit)/Loss on sale of property, plant and equipment (net)	32	(19.43)	3.54
Provision for expected credit loss	32	-	0.99
Bad debts written off	32	2.76	-
Provision for doubtful debt and other receivables	32	1.20	-
Provision for balance with Government authorities	32	-	72.18
Rent waiver on lease liabilities	28	-	(0.09)
Liabilities no longer required written back	28	(96.71)	(15.00)
Gain on termination of lease	28	(7.96)	(6.55)
Unwinding of interest on financial assets carried at amortised cost	26	-	(11.32)
Operating profit / (loss) before working capital changes		818.18	(300.52)
Working capital adjustments:			
(Increase)/ decrease in inventories		(5,059.04)	(2,291.54)
(Increase)/ decrease in trade receivables		(17.07)	38.38
(Increase)/ decrease in loans		11.88	(2.99)
(Increase)/ decrease in other financial assets		(520.42)	(534.80)
(Increase)/ decrease in other assets		(319.12)	(410.90)
Increase / (decrease) in trade payables		1,480.43	50.32
Increase / (decrease) in gold on loan		2,212.19	1,383.34
Increase / (decrease) in other financial liabilities		(320.50)	2,025.35
Increase / (decrease) in provisions		15.21	(253.92)
Increase / (decrease) in other current liabilities		810.43	573.70
Cash (used in) / generated from operations		(1,789.03)	276.62
Income tax paid (net)		(23.81)	(5.27)
Net cash (used in) / generated from operating activities (A)		(1,811.64)	271.35
B. Cash flows from investing activities			
Investment in fixed deposits		(3,275.20)	(1,584.11)
Payment for purchase of property, plant and equipment		(989.08)	(800.74)
Proceeds from sale of property, plant and equipment		172.34	189.34
Interest received on fixed deposits		276.62	67.01
Net cash used in investing activities (B)		(3,816.48)	(2,048.30)
C. Cash flows from financing activities			
Interest paid (Refer note b(i) below)		(1,056.65)	(434.10)
Proceeds from issue of equity shares		-	90.20
Proceeds from issue of preference shares (Refer note b(ii) below)		5,877.53	750.88
Settlement of cash settled ESOP liability		(117.96)	-
Proceeds from borrowings (Refer note b(i) below)		4,393.28	2,125.69
Repayment of borrowings (Refer note b(i) below)		(2,373.20)	(85.01)
Repayment of lease liabilities (Refer note b(ii) below)		(274.53)	(512.83)
Net cash generated from financing activities (C)		5,946.47	1,960.84
Net increase/(decrease) in cash and cash equivalents (A+B+C)		320.35	183.88
Cash and cash equivalents at the beginning of the year		271.00	87.12
Cash and cash equivalents at the end of the year (Note no. 14)		591.35	271.00

Notes:

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



Particulars	April 01, 2022	Non cash changes			Cash flows	March 31, 2023
		Fair value changes	Finance cost accrued during the year	Additions (Net)		
i) Borrowings	218.52	-	434.10	-	1,626.58	2,277.20
ii) Preference shares classified as financial liability	18,280.42	(18,280.42)	-	-	-	-
iii) Lease liabilities	1,845.75	2,085.50	210.39	-	(512.93)	3,729.31
iv) Issue of Preference shares	-	-	-	-	756.99	-
v) Issue of Equity shares	-	-	-	-	90.20	-

Particulars	April 01, 2023	Non cash changes			Cash flows	March 31, 2024
		Fair value changes / Adjustments	Finance cost accrued during the year	Additions (Net)		
i) Borrowings	2,277.20	-	1,056.65	-	863.43	4,297.27
ii) Preference shares classified as financial liability	-	-	-	-	-	-
iii) Lease liabilities	3,729.31	-	305.30	1,629.16	(774.53)	6,889.24
iv) Issue of Preference shares	-	-	-	-	5,877.53	5,877.53
v) Issue of Equity shares	-	-	-	-	-	-

The accompanying notes are an integral part of these financial statements

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm registration number: 155047W

Ankush A.

Ankush Agrawal
Partner
Membership No: 155654

Place: Mumbai
Date: 17 May 2024



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

Gaurav Singh Kushwaha

Gaurav Singh Kushwaha
Managing Director
DIN No: 01674670

Place: Mumbai
Date: 17 May 2024

Rumit Dugar

Rumit Dugar
Chief Financial Officer

Place: Mumbai
Date: 17 May 2024

Sandeep Nath

Sandeep Nath
Director
DIN No: 07551506

Place: Mumbai
Date: 17 May 2024

Jasmeet Saluja

Jasmeet Saluja
Company Secretary

Place: Mumbai
Date: 17 May 2024

Bluestone Jewellery and Lifestyle Private Limited
CIN: U72900KA2011PTC089678
Statement of changes in equity for the year ended 31 March 2024
(All amounts are in INR million unless otherwise stated)

A. Equity Share Capital

Equity shares of INR 1 each, fully paid up

	Note	Number	Amount
As at 31 March 2022		1,818,192	1.82
Changes in equity share capital during the year	18	18,335,748	18.34
As at 31 March 2023		18,153,940	18.16
Changes in equity share capital during the year		-	-
As at 31 March 2024		18,153,940	18.16

Preference shares of INR 10 each, fully paid up

	Note	Number	Amount
As at 31 March 2022		818,502	8.18
Changes in preference share capital during the year	18	6,592,884	65.97
As at 31 March 2023		7,413,247	74.13
Changes in preference share capital during the year	18	18,985,355	185.95
As at 31 March 2024		29,079,109	290.79

B. Other Equity

Particulars	Reserves and surplus			Other comprehensive income	Total other equity
	Securities Premium	Retained earnings	Share options outstanding	Re-measurement of (gain)/loss	
As at 1 April 2022	482.33	(19,076.06)	208.88	2.54	(18,372.31)
Loss for the year	-	(1,672.44)	-	-	(1,672.44)
Other comprehensive income (net of tax)	-	-	-	1.41	1.41
Premium received on issue of shares	644.58	-	-	-	644.58
Options granted during the year	-	-	199.47	-	199.47
Redemption of Compulsorily convertible preference shares as equity (refer note 15(c))	(18,250.08)	-	-	-	(18,250.08)
Loss: Utilization for issue of Bonus shares	(18.34)	-	-	-	(18.34)
	(10,038.32)	(1,672.44)	199.47	(1.41)	17,961.76
As at 31 March 2023	10,836.55	(20,748.98)	403.34	4.05	(810.58)
As at 1 April 2023	10,836.55	(20,748.98)	403.34	4.05	(810.58)
Loss for the year	-	(1,432.36)	-	-	(1,432.36)
Other comprehensive income (net of tax)	-	-	-	8.77	8.77
Premium received on issue of shares	5,690.88	-	-	-	5,690.88
Options granted during the year (net)	-	-	149.65	-	149.65
Change in fair value of Equity on termination of Right to subscribe shares (refer note no. 40)	-	(154.62)	-	-	(154.62)
	5,690.88	(1,336.98)	149.65	8.77	4,272.32
As at 31 March 2024	25,221.42	(22,326.48)	553.00	13.82	3,462.77

The accompanying notes are an integral part of these financial statements

As per our report of even date
For M-S-K-A & Associates
Chartered Accountants
Firm registration number: 135647W

Ankush A

Ankush Agrawal
Partner
Membership No: 139594

Place: Mumbai
Date: 17 May 2024



For and on behalf of Board of directors of
Bluestone Jewellery and Lifestyle Private Limited
CIN: U72900KA2011PTC089678

Gaurav Singh Kushwaha
Managing Director
DIN No: 01674879

Place: Mumbai
Date: 17 May 2024

Ramit Dugar
Chief Financial Officer

Place: Mumbai
Date: 17 May 2024

Samir Datta Nath
Director
DIN No: 07381808

Place: Mumbai
Date: 17 May 2024

Jasmeet Saluja
Company Secretary

Place: Mumbai
Date: 17 May 2024

1. General information

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

2. Material accounting policies

2.1 Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

These financial statements were authorised for issue by the Company's Board of Directors on 17 May 2024.

(ii) Functional and presentation currency

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

(iii) Basis of Measurement

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

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

(iv) Going Concern

The Company has incurred losses of Rs 1,422.36 millions during the current year (March 31, 2023 Rs 1,572.44 millions) and has accumulated losses aggregating to Rs. 22,325.48 million as at March 31, 2024 (March 31, 2023 Rs 20,748.50 Million). Further, the current liabilities exceed its current assets by Rs. 907.98 millions as at March 31, 2024 (March 31, 2023 Rs 645.60 Million).

Company has been successful in growing revenue in existing stores during the year which has resulted in improved margins. The Company thus expects further improvement in its cash flow from operations through increase in revenue from its existing as well as new customers.

During the current year, the Company has raised Rs. 5,877.53 millions against issue of 0.1% Series G-1,86,65,355 Compulsorily Convertible Preference Shares (CCPS) of ₹10 per CCPS at a premium of Rs. 304.89 per CCPS.

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

(v) Use of estimates, assumptions and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving critical estimates or judgments are:

- a) Estimation of current tax / deferred tax expenses and payable-Note 34
- b) Estimation of defined benefit obligation-Note 33
- c) Estimation of useful lives, residual values of property, plant & equipment - Note 3
- d) Fair value measurement of financial instruments - Note 16
- e) Lessee - Whether an arrangement contains a lease -Note 4
- f) Fair value of employee stock option plans - Note 38
- g) Impairment testing of property, plant & equipment - Note 3
- h) Estimation of return reserve - Note 25 (c).

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



(vi) Measurement of fair values

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

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

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

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

(vii) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

2.2 Property, plant and equipment

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

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



Depreciation methods, estimated useful lives and residual value

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

The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

Asset category	Management estimate of useful life	Useful life as per Schedule II
Leasehold improvements	5 years	5 to 10 years
Display items	2 years	2 years
Plant and machinery	15 years	10 to 15 years
Furniture and fixtures	10 years	10 years
Office equipments	5 years	5 years
Computers	3 years	3 years
Vehicles	5 years	8 years

Gain and loss on disposal of item of Property, plant and equipment

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

2.3 Intangible assets

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

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

2.4 Impairment of non-financial assets

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

2.5 Leases

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



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

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases). For these short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

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

2.6 Inventories

Inventories (other than quantities of gold for which the price is yet to be determined with the suppliers (Unfixed gold)) are stated at the lower of cost and net realisable value. Cost is determined as follows:

- a) Raw materials are valued at weighted average except Solitaires which is valued on specific identification basis.
- b) Work-in-progress and finished goods (other than gold) are valued at weighted average cost of production.
- c) Gold is valued on First-In-First-out basis.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by the Company), freight inwards and other expenditure directly attributable to acquisition. Work in progress and finished goods include appropriate proportion of overheads.

Unfixed gold is valued at the provisional gold price prevailing on the period closing date.

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

2.7 Foreign currency transactions

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

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

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



2.8 Revenue recognition

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

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

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

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

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

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

2.9 Employee benefits

(i) Short-term obligations

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

(ii) Other Long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

a) Defined contribution plans

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



b) Defined benefit plans

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

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

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

(iv) Compensated absences

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

2.10 Share based payments

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

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

2.11 Consolidation of ESOP Trust and Treasury Shares

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

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

2.12 Financial Instruments

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



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

a) Financial Assets

(i) Initial recognition and measurement

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

(ii) Classification and Subsequent measurement

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

1. Financial assets carried at amortised cost

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

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

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

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

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

(iii) Impairment of financial assets

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

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

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

(iv) Derecognition of financial assets

A financial asset is derecognised only when the Company:

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

