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Independent Auditor's Report

To the Members of CaratLane Trading Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of CaratLane Trading Private Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 together with the ethical requirements that are relevant to our audit of the standalone 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment , were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB 8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Revenue Recognition	
Refer note 3 (i) to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company recognises revenue when the control of goods being sold is transferred to the customer. A substantial part of Company's revenue relates to jewelry which involves large number of individual sales contracts having varied contractual terms with retail customers, online customers and franchisees. The Company and its external stakeholders focus on revenue as one of the key performance indicators, this increases the risk of misstatement of the timing and existence of revenue recognized. In view of the above we have identified revenue recognition as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: 1. Assessed the appropriateness of the accounting policy for revenue recognition as per relevant accounting standard. 2. We evaluated the design and implementation of key internal financial controls and their operating effectiveness with respect to revenue recognition transactions selected on a sample basis. These included general IT controls and key application controls over the IT systems which govern revenue recognition, including access controls, controls over program changes. 3.We perused selected samples of key contracts with customers, distributors and franchisees to understand terms and conditions particularly relating to acceptance of goods. 4.We performed substantive testing of online and retail sales by selecting samples of sales made at the retail outlets using statistical sampling and tested the underlying documents, which included tracing sales to collection reports and bank statements. For franchisee sales (other than retail sales), we performed substantive testing using statistical sampling and tested the underlying documentation including verification of invoices and collections thereon. 5.We tested selected samples of sales transactions made immediately pre and post year end, agreed the period of revenue recognition to the underlying documents. 6.We scrutinised manual journals posted to revenue to identify unusual items.

Inventories

Refer note 3 (vi) to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company's inventories primarily comprise jewelry (gold, diamonds, gemstones etc.). The Company holds inventory at various locations including factories, stores (retail outlets) and third party locations. There is a significant risk of loss of inventory given the high value and nature of the inventory involved. In view of the above, we have identified existence of physical inventories as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: 1.We evaluated the design, implementation and tested the operating effectiveness of key controls that the Company has in relation to safeguarding and physical verification of inventories including the appropriateness of the Company's standard operating procedures for conducting, recording and reconciling physical verification of inventories and tested the implementation thereof. 2.We evaluated the design, implementation and operating effectiveness of general IT controls and key application controls over the Company's IT systems including those relating to recording of inventory quantities on occurrence of each transaction, including access controls, controls over program changes, interfaces between different systems. 3.For the sampled locations, we attended physical verification of stocks conducted by the Company and performed roll-forward and roll-back procedures as at the year end, where applicable. We also performed surprise stock counts at selected stores on a sample basis. We also checked on a sample basis reconciliation of inventories as per physical inventory verification and book records. 4.For samples selected using statistical sampling, we obtained independent confirmations of inventories held with third parties.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

Management's and Board of Directors Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. 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.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 (vii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, 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.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 (viii) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

R. Tej

Arjun Ramesh

Partner

Membership No.: 218495

ICAI UDIN:23218495BGYWBW1419

Place: Bengaluru

Date: 28 April 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of CaratLane Trading Private Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

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

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment and Right of Use asset by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not made investments and not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year . The Company has granted loan to a Company during the year, in respect of which requisite information is as below. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnership and other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans as below:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of CaratLane Trading Private Limited for the year ended 31 March 2023 (Continued)

Particulars	Loan (Rs. lakhs)
Aggregate amount during the year – Subsidiary	1,771
Balance outstanding as at balance sheet date – Subsidiary	1,998

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated. There were no amount due for repayment of principal and payment of interest during the year. Further, the Company has not given any advance in nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.Further, the Company has not given any advances in the nature of loan to any during the year.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act"). In respect of the loans given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with. Further, according to the information and explanations given to us and on the basis of examination of our records of the Company, the Company has not made investments and not provided any guarantee or security specified under Section 186 of the Act.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of CaratLane Trading Private Limited for the year ended 31 March 2023 (Continued)

of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Statute /Nature of the dues	Amount (Rs. lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax/ Value Added Tax	677	2016-17	High Court

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of CaratLane Trading Private Limited for the year ended 31 March 2023 (Continued)

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, 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 date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanation given by the management, the group has five CICs which are registered with Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone 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 the 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.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of CaratLane Trading Private Limited for the year ended 31 March 2023 (Continued)

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

R. tejun

Arjun Ramesh

Partner

Membership No.: 218495

ICAI UDIN:23218495BGYWBW1419

Place: Bengaluru

Date: 28 April 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of CaratLane Trading Private Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of CaratLane Trading Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities 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 financial controls 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.

Auditor's 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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.

Annexure B to the Independent Auditor's Report on the standalone financial statements of CaratLane Trading Private Limited for the year ended 31 March 2023 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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 controls 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 B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Arjun Ramesh
Partner

Place: Bengaluru
Membership No.: 218495

Date: 28 April 2023
ICAI UDIN:23218495BGYWBW1419

CARATLANE

A TANISHQ Partnership

STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

CaratLane Trading Private Limited
Standalone balance sheet
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	5(i)	7,921	2,995
Capital work-in-progress *	5(iii)	-	2
Right-of-use assets	6	20,039	7,416
Intangible assets	5(ii)	2,755	1,148
Intangible assets under development	5(iv)	77	479
Financial assets			
i. Investments	7(i)	109	109
ii. Loans receivable	7(ii)	1,998	227
ii. Other financial assets	7(iii)	6,614	4,445
Deferred tax assets (net)	8	1,403	5,097
Income tax assets (net)	8	215	115
Other non-current assets	9	3,136	924
		44,267	**22,957**
Current assets			
Inventories	10	89,372	53,380
Financial assets			
i. Trade receivables	11(i)	3,605	2,051
ii. Cash and cash equivalents	11(ii)	506	426
iii. Other bank balances	11(iii)	178	178
iv. Loan receivables	11(iv)	523	198
v. Other financial assets	11(v)	4,201	1,486
Other current assets	12	12,873	8,792
		111,258	**66,511**
		155,525	**89,468**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	667	665
Share application money		1	-
Other equity	14	21,402	11,067
		22,070	**11,732**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	15(i)	-	219
iia. Lease liabilities	15(ii)	23,025	10,293
iii. Other financial liabilities	15(iii)	362	312
Other non-current liabilities	16	87	108
Provisions	17	693	674
		24,167	**11,606**
Current liabilities			
Financial liabilities			
i. Borrowings	18(i)	56,711	18,153
ii. Gold on loan	18(ii)	20,931	23,643
iiia. Lease liabilities	18(iii)	3,317	1,849
iv. Trade payables	18(iv)		
(a) Total outstanding dues of micro and small enterprises		3,466	3,970
(b) Total outstanding dues of creditors other than micro and small enterprises		15,840	12,925
v. Other financial liabilities	18(v)	1,664	1,141
Other current liabilities	19	6,601	4,097
Provisions	20	758	352
		109,288	**66,130**
		155,525	**89,468**
Significant accounting policies	3		

*Represents amounts less than Rs. 1 lakh

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/ W-100022

Arjun Ramesh
Partner
Membership No. 218495
Place: Bengaluru
Date: April 28, 2023

for and on behalf of the Board of Directors of
CaratLane Trading Private Limited
(CIN: U52393TN2007PTC064830)

Mithun Padam Sacheti
Managing Director
DIN: 01683592
Place: Bengaluru
Date: April 28, 2023

Ashok Kumar Sonthalia
Director
DIN: 03259683
Place: Bengaluru
Date: April 28, 2023

Manoj Bhanawat
Chief Financial Officer
Place: Bengaluru
Date: April 28, 2023

Ahona Das Gupta
Company Secretary
Place: Bengaluru
Date: April 28, 2023

CARATLANE TRADING PVT LTD
CHENNAI
600 006

CaratLane Trading Private Limited
Standalone statement of profit and loss
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	21	215,509	125,717
Other income	22	2,177	1,001
Total income (I)		**217,686**	**126,718**
Expenses			
Cost of materials consumed		160,642	93,497
Purchase of stock-in-trade		15,784	11,852
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(35,930)	(20,491)
Employee benefits expense	24	13,532	8,951
Finance costs	25	4,658	2,084
Depreciation and amortisation expense	26	4,473	2,653
Other expenses	27	40,564	23,356
Total expenses (II)		**203,723**	**121,902**
Profit before tax (III) [(I)-(II)]		**13,963**	**4,816**
Tax expense (IV)			
- Current tax		-	-
- Deferred tax	8	3,723	(5,057)
Profit after tax (A) [(III)-(IV)]		**10,240**	**9,873**
Other comprehensive income			
Items that will not be reclassified to the standalone statement of profit and loss:			
- Remeasurements of employee defined benefit plans		(107)	(157)
- Income-tax on above		27	40
Items that will be reclassified to the statement of profit and loss:			
- Effective portions of gains and loss on designated portion of hedging instruments in a cash flow hedge		-	2
- Income-tax on above		-	-
Total other comprehensive income (B)		**(80)**	**(115)**
Total comprehensive income for the year (A+B)		**10,160**	**9,758**
Earnings per equity share (par value of Rs. 2 per share)			
Basic earnings per share		30.75	29.68
Diluted earnings per share	28	30.56	29.48
Significant accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
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CARATLANE TRADING PVT LTD
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Manoj Bhanawat
Chief Financial Officer
Place: Bengaluru
Date: April 28, 2023

Ahona Das Gupta
Company Secretary
Place: Bengaluru
Date: April 28, 2023

CaratLane Trading Private Limited
Standalone statement of cash flow
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	13,963	4,816
Adjustments for:		
Depreciation and amortisation expenses	4,473	2,653
Allowance for doubtful receivables and bad debts written off	-	27
Interest income	(82)	(9)
Interest income on financial assets carried at amortised cost	(553)	(566)
Deferred rental income and rent equalisation	(186)	(78)
Gain on sale of investment (net)	(3)	(33)
Finance cost	4,658	2,084
(Profit)/Loss on sale of property, plant and equipment	(38)	(14)
Property, plant and equipment wrtitten off	-	33
Intangible assets wrtitten off	17	-
Employee stock option expense	113	165
Operating profit before working capital changes	**22,362**	**9,078**
Change in operating assets and liabilities		
(increase)/ decrease in trade receivables	(1,554)	(1,169)
(increase)/ decrease in inventories	(35,992)	(27,927)
(increase)/ decrease in loans receivable, financial and other assets	(9,737)	(4,146)
increase/ (decrease) in other financial liabilities	568	872
increase/ (decrease) in provisions	318	304
increase/ (decrease) in gold on loan and trade payables	(302)	21,150
increase/ (decrease) in other liabilities	2,483	942
Cash generated (used in) operating activities before taxes	**(21,854)**	**(896)**
Income taxes paid (Net of refunds)	(100)	(19)
Net cash (outflow) from operating activities (A)	**(21,954)**	**(915)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets and intangible assets under development	(8,772)	(2,639)
Proceeds from sale of property, plant and equipment	241	111
Investment in subsidiary	-	(109)
Loan given during the year to subsidiary	(1,771)	(227)
Purchase/sale of mutual fund investments, net	3	1,285
Interest received	807	567
(Investment)/redemption in other bank balances	-	(111)
Lease payments received from sub-leases	1,086	614
Net cash (used in) investing activities (B)	**(8,406)**	**(509)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Payment towards lease liabilities (principal)	(3,444)	(2,139)
Payment towards lease liabilities (interest)	(1,498)	(874)
Repayment from borrowings	(366,645)	(70,491)
Proceeds from borrowings	404,984	75,936
Interest paid	(3,022)	(1,099)
Proceed from issue of equity shares	65	22
Net cash generated from financing activities (C)	**30,440**	**1,355**
Net cash (decrease)/increase in cash and cash equivalents (A+B+C)	80	(69)
Cash and cash equivalents as at the beginning of the year (Refer note 11(ii))	426	495
Cash and cash equivalents as at the end of the year (Refer note 11(ii))	**506**	**426**

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CARATLANE TRADING PVT LTD CHENNAI 600 006

CaratLane Trading Private Limited
Standalone statement of cash flow
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Debt reconciliation statement in accordance with Ind AS 7		
Borrowings		
Opening balance	18,372	12,928
Repayment from borrowings	(366,645)	(70,492)
Proceeds from borrowings	404,984	75,936
Closing balance	**56,711**	**18,372**
Reconciliation of Lease liability		
Opening balance	12,142	9,497
Payments made during the year	(4,942)	(3,013)
Non-cash changes	19,142	5,658
Closing balance	**26,342**	**12,142**

Significant accounting policies 3

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/ W-100022

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Arjun Ramesh
Partner
Membership No. 218495
Place: Bengaluru
Date: April 28, 2023

for and on behalf of the Board of Directors of
CaratLane Trading Private Limited
(CIN: U52393TN2007PTC064830)

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Managing Director
DIN: 01683592
Place: Bengaluru
Date: April 28, 2023

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Date: April 28, 2023

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Place: Bengaluru
Date: April 28, 2023

Ahona Das Gupta
Company Secretary
Place: Bengaluru
Date: April 28, 2023

CARATLANE TRADING PVT LTD
CHENNAI
600 006

CaratLane Trading Private Limited

Standalone statement of changes in equity

(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance at the April 1, 2021	665
Changes in equity share capital during the year	0
As at March 31, 2022	665
Changes in equity share capital during the year	2
As at March 31, 2023	667

B. Other equity

Particulars	Reserves and surplus			Other comprehensive income		Total
	Securities premium	Stock options outstanding account	Retained earnings	Cash flow hedge reserve	Re-measurement of defined benefit obligation	
Balance at the April 1, 2021	40,925	718	(40,391)	(2)	(127)	1,123
Premium on shares issued during the year	53	(32)	-	-	-	21
Profit for the year	-	-	9,873	-	-	9,873
Employee stock option expense	-	165	-	-	-	165
Other comprehensive income for the year (net of taxes)	-	-	-	2	(117)	(115)
Total comprehensive income for the year			9,873	2	(117)	9,758
Balance as at March 31, 2022	40,978	851	(30,518)	(0)	(244)	11,067
Balance as at April 1, 2022	40,978	851	(30,518)	(0)	(244)	11,067
Premium on shares issued during the year	163	(100)	-	-	-	63
Profit for the year	-	-	10,240	-	-	10,240
Employee stock option expense	-	113	-	-	-	113
Other comprehensive income for the year (net of taxes)	-	-	-	-	(80)	(80)
Total comprehensive income for the year			10,240	-	(80)	10,160
Balance as at March 31, 2023	41,141	864	(20,277)	-	(326)	21,402

Significant accounting policies 3

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/ W-100022

Arjun Ramesh
Partner
Membership No. 218495
Place: Bengaluru
Date: April 28, 2023

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Company Secretary
Place: Bengaluru
Date: April 28, 2023

CARATLANE TRADING PVT LTD
CHENNAI
600 006

1 BACKGROUND

CaratLane Trading Private Limited (the Company) is a listed entity incorporated in India. Till 31 January 2023, the registered office of the address of the Company was 2nd,3rd & 4th Floor,No.32, Rutland Gate 2nd Street, Khader Nawaz Khan Road, Nugambakkam, Chennai, Tamil Nadu - 600006.

During the year ended 31 March 2023, with effect from 31 January 2023, the registered address of the Company has been changed to 727, Anna Salai, Pathari RoadThousand Lights, Chennai TN 600006. The Company is engaged in activities of Manufacturing and trading of jewellery.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2023 and authorised for issue on April 28, 2023

2 BASIS OF PREPARATION AND PRESENTATION

(i) Statement of compliance

The standalone financial statements comply in all material aspects with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with Section 133 of the Companies Act, 2013 ('the Act') and other relevant provision of the act under going concern asssumption using the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values notified under the Act & Rules prescribed thereunder. (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements')

(ii) Basis of measurement

The standalone financial statements have been prepared on an accrual basis under the historical cost convention except for the following items:
a. Certain financial assets and liabilities that are measured at fair value
b. Share based payments that are measured at fair value
c. Net defined benefit liability that are measured at fair value of present value of defined benefit obligations
d. Right of use assets and lease liabilities are measured at fair market value as per INDAS 116

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Use of estimates, assumptions and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies on the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates, assumptions and judgement are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual result may differ from these estimates.

Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements is included in the following notes:
- Note 30 – Leases – whether an arrangement contains a lease
- Note 30 – Lease classification (including the expected general inflation rates)
- Note 21 - Revenue Recognition

Assumptions and estimation

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 31 March 2023 is included in the following notes:
- Note 5 (i) – Useful life of the Property, plant and equipment;
- Note 5 (ii) – Useful life of the Intangible assets;
- Note 35 – Contingent liabilities and commitments;
- Notes 31 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 30 – Leases - Lease term and incremental borrowing rate
- Note 36 – Fair value measurement of financial instruments
- Note 21 - Revenue recognition

(iv) Functional and presentation currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee ("Rs." or "INR"), which is the Company's functional and presentation currency and is rounded-off to the nearest lakhs except when otherwise indicated.

(v) Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.
The Company has an established control framework with respect to the measurement of fair values and the valuation team regularly reviews significant unobservable inputs and valuation adjustments.

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 an asset or a liability fall into a different levels of the 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.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 36 - financial instruments.

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CARATLANE TRADING PVT LTD CHENNAI 600 006

3 SIGNIFICANT ACCOUNTING POLICIES

The Accounting policies set out below have been applied consistently to all periods presented in these Standalone Financial Statements unless otherwise indicated.

(i) Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Sale of products

Revenue from the sale of products is recognised at the point in time when control is transferred 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, 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.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Use of significant judgements in revenue recognition.

• The Company's contracts with customers could include promises to transfer multiple goods to a customer. The Company assesses the goods promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

• Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct good from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

• The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct good or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Interest income is recognized as it accrues in the standalone statement of profit and loss using effective interest rate method.
Commission income is generally recognized when the related sale is executed as per the terms of the agreement.

The Company has determined that the revenues as disclosed in Note 21 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

i (a) Other income

Franchisee Signing Fees :Franchisee signining fees is recognised based on the franchisee stores opened during the year which varies based on the location. It excludes taxes remitted to the goverment which are receovered from the Franchisee's. (Note 22)

(ii) Property, plant and equipment

Items of Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use.

Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Advance paid towards acquisition of fixed assets outstanding at each balance sheet date is disclosed as capital advances under non-current assets.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the standalone statement of profit or loss. Capital work-in-progress comprises the cost of assets that are not ready for their intended use at the balance sheet date.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Repairs and maintenance costs are recognised in the statement of profit and loss as incurred.

The Company identifies and determines cost of each component/ part of property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the property, plant and equipment and has useful life that is materially different from that of the remaining asset. Leasehold improvements are amortized over the estimated useful life of the asset or the lease period whichever is less.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of Property, plant and equipment and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of Property, plant and equipment and are recognized in the standalone statement of profit and loss when the Property, plant and equipment is derecognized.

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CARATLANE TRADING PVT LTD CHENNAI 600 006

Depreciation methods, estimated useful life and residual value
Depreciation is calculated using straight-line method to allocate their cost, net of their estimated residual values, over the useful lives of assets which is as follows:

Asset category	Management estimate of useful life	Useful life as per schedule II
Furniture and fittings	10 years	10 years
Computer equipment	3 years	3 years
Computer server	6 years	6 years
Office equipments	5 years	5 years
Jewellery Machine	15 years	15 years
Vehicles	5 years	8 years
Mock jewellery	1 year	1 year
Leasehold improvements	4 years or lease period which ever is lower	Lease period

(ii) Property, plant and equipment (continued)
Depreciation for assets purchased / sold during the period is proportionally charged.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

(iii) Intangible assets
(a) Internally generated : Research and development

Expenditure on research activities is recognized in the statement of profit and loss as incurred.
Development expenditure is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses.

(b) Amortization
Amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight- line method, and is included in depreciation and amortization in Statement of Profit and Loss.
The estimated useful lives are as follows:

Asset	Useful life
Computer software	3 years
Caratlane portal	3 years

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

(iv) Impairment
(a) Financial assets
The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through the statement of profit and loss. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted using the effective interest rate. Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL, as required. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

(b) Non-financial assets
Intangible assets and property, plant and equipment
Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in -use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

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(v) Leases

Company as a lessee

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:

a. the contract involves the use of an identified asset;

b. the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

c. the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Company as a lessor

When the Company acts as a lessor at the inception, it determines whether each lease is a finance lease or an operating lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short -term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains a lease and non-lease components, the Company applies Ind AS 115-Revenue to allocate the consideration in the contract.

(vi) Inventories

Inventories [other than quantities of gold for which the price is yet to be determined with the suppliers (Unfixed Gold)] are measured at the lower of cost and net realizable value. The cost is determined as follows:

(i) Raw materials are valued at weighted average except solitaires which are valued at the cost of purchase.

(ii) Work-in-progress and finished goods (other than gold) are valued at weighted average cost of production.

(iii) Traded goods are valued at weighted average / cost of purchase.

(iv) 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 date of receipt of gold.

Net realizable value represent the estimated selling price for inventories less estimated cost of completion and costs necessary to make the sale.

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(vii) Foreign currency transactions and balances
Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the standalone statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the standalone balance sheet date are translated at the exchange rates on that date. The resultant exchange differences are recognized in the standalone statement of profit and loss.

Non-monetary assets and liabilities which are carried in terms of historical cost denominated in foreign currency are translated at an exchange rate that approximates the rates prevalent on the date of the transaction.

(viii) Taxation
Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in standalone statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

a) Current income tax: Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred income tax: Deferred income tax assets and liabilities are recognized using the balance sheet approach. Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred income tax assets are recognized for carry forward of unused tax credits and unused tax losses, to the extent that there is convincing evidence that taxable profit will be available against which the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as an income or expense in the period that includes the enactment or substantive enactment date.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity.

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(ix) Employee benefits

i) Short term employee benefits

All employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, short-term compensated absences and incentives etc., are recognized in the standalone statement of profit and loss for the year in which the employee renders the related service.

ii) Defined contribution plan

All eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contribution to the fund, which is equal to a specified percentage of the covered employee's basic salary and including other fixed component not linked to the performance of employees. The Company has no further obligations under this plan beyond its monthly contributions.

(ix) Employee benefits (continued)

iii) Post employment benefits

The Company provides for gratuity, a defined benefit plan covering all eligible employees. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried at the year-end using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date having maturity periods approximating the term of the related obligation. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to standalone statement of profit and loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

The plan provides a lump-sum payment to eligible employees at retirement or on termination of employment based on the salary of the respective employee and the years of employment with the Company. The gratuity liability is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary.

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 recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date using the projected unit credit method.

(x) Employee stock option expense

The Company measures compensation cost relating to share-based payments using the fair valuation method in accordance with Ind AS 102, Share-Based Payment. Compensation expense is amortized over the vesting period of the option on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes-Merton 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.

The cost of equity settled transactions is recognized, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(xi) Financial instruments

Recognition of financial assets and financial liabilities:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

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.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of financial assets.

A) Financial assets

Classification of financial assets:

On initial recognition, a financial asset is classified at

(i) Amortized cost

(ii) Fair value through other comprehensive income (FVOCI)

(iii) Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) Financial assets carried at amortized 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.

Financial assets at fair value through comprehensive income

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.

Financial assets at fair value through profit and loss

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

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B) Financial liabilities: classification, subsequent measurement and derecognition:

Financial liabilities carried at amortized cost
Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.
Financial liabilities at fair value through profit and loss
A financial liabilities which is not classified in any of the above categories are subsequently carried at fair value through profit or loss.

Derecognition
Financial assets
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.
If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the standalone statement of profit and loss.

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

(xii) Derivative financial instruments
a. Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Hedge accounting is discontinued when the Company revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

The Company applies fair value hedge for the gold purchased whose price is to be fixed in future. Therefore, there will be no impact of the fluctuation in the price of the gold on the Company's profit for the period.The Company has designated the trade payables pertaining to gold taken on loan from banks ('unfixed gold') as a fair value hedge to the corresponding gold inventory purchased on loan.

b. Cash flow hedge
The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions. The company has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

The use of derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments.

Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in Other comprehensive income and accumulated under the heading cash flow hedge reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in hedging reserve is retained until the forecast transaction occurs upon which it is recognised in the standalone statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognised immediately to the statement of profit and loss.
The Company has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

(xiii) Provisions and contingent liabilities
a. General
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the standalone statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Product warranty costs are determined based on past experience and provided for in the year of sale.

b. Contingent liabilities
A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

c. Onerous contracts
Provision for onerous contracts i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

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(xiv) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, demand deposits with banks and balances with banks. The Company considers all highly liquid investments with an original maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(xv) Standalone cash flow statement

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

(xvi) Borrowing Cost

Borrowing costs are interest and other costs incurred in connection with borrowing of funds. The borrowing cost includes interest expense accrued on gold on loan taken from banks. Borrowing costs attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(xvii) Earning per share

Basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted loss per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic loss per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the year, using the treasury stock method for options, except where the results would be anti-dilutive. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

(xviii) Segment Reporting

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

4 Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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ll amounts in INR lakhs, unless otherwise stated)

(i) Property, plant and equipment*

Particulars	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	As at 1 April 2022	Additions	Deletions	As at 31 March 2023	As at 1 April 2022	Charge for the year	Deletions	As at 31 March 2023	As at 31 March 2023
Tangible assets									
Furniture and fittings	919	929	60	1,788	306	115	9	412	1,376
Leasehold improvements	1,629	3,193	115	4,707	909	422	51	1,280	3,427
Computer equipment	1,030	724	-	1,754	569	336	-	906	849
Computer server	38	-	-	38	19	2	-	21	16
Mock jewellery	250	-	-	250	250	-	-	250	-
Office equipment	1,128	1,047	68	2,107	497	238	15	720	1,387
Jewellery machine	692	417	47	1,062	141	62	6	197	865
Vehicles	3	-	-	3	2	-	-	2	1
Total (A)	**5,689**	**6,310**	**290**	**11,709**	**2,694**	**1,175**	**81**	**3,788**	**7,921**

Particulars	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	As at 1 April, 2021	Additions	Deletions	As at 31 March 2022	As at 1 April, 2021	Charge for the year	Deletions	As at 31 March 2022	As at 31 March 2022
Tangible assets									
Furniture and fittings	795	198	74	919	253	82	29	306	613
Leasehold improvements	1,242	462	75	1,629	729	229	49	909	720
Computer equipment	635	438	43	1,030	432	178	40	569	461
Computer server	32	6	-	38	16	3	-	19	18
Mock jewellery	250	-	-	250	250	-	-	250	-
Office equipment	731	461	64	1,128	391	137	31	497	631
Jewellery machine	491	226	25	692	99	44	2	141	551
Vehicles	3	-	-	3	2	-	-	2	1
Total (A)	**4,179**	**1,791**	**281**	**5,689**	**2,172**	**673**	**151**	**2,694**	**2,995**

*Refer Note 18(i)

(ii) Intangible assets

Particulars	Gross carrying amount				Accumulated amortization				Carrying amount (net)
	As at 1 April 2022	Additions	Deletions	As at 31 March 2023	As at 1 April 2022	Charge for the year	Deletions	As at 31 March 2023	As at 31 March 2023
Intangible assets									
Computer software	2,636	2,368	127	4,877	1,488	750	116	2,122	2,755
Caratlane portal	239	-	-	239	239	-	-	239	-
Total	**2,875**	**2,368**	**127**	**5,116**	**1,727**	**750**	**116**	**2,361**	**2,755**

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CaratLane Trading Private Limited
Notes to the standalone financial statements for the year ended 31 March 2023
(All amounts in INR lakhs, unless otherwise stated)

5(ii) Intangible assets

Particulars	Gross carrying amount				Accumulated amortization				Carrying amount (net)
	As at 1 April, 2021	Additions	Deletions	As at 31 March 2022	As at 1 April, 2021	Charge for the year	Deletions	As at 31 March 2022	As at 31 March 2022
Intangible assets									
Computer software	1,658	978	-	2,636	961	527	-	1,488	1,148
Caratlane portal	239	-	-	239	239	-	-	239	-
Total	**1,897**	**978**	**-**	**2,875**	**1,200**	**527**	**-**	**1,727**	**1,148**

(iii) Ageing of Capital Work in Progress

As at 31 March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Projects in progress*	-	-	-	-	-
(b) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

*Represent amount less than 1 lakh

As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Projects in progress	2	-	-	-	2
(b) Projects temporarily suspended	-	-	-	-	-
Total	2	-	-	-	2

(iv) Ageing of Intangible assets under development:

As at 31 March 2023

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Projects in progress	71	5			77
(b) Projects temporarily suspended	-	-	-	-	-
Total	71	5	-	-	77

As at March 31, 2022

CWIP	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Projects in progress	479				479
(b) Projects temporarily suspended	-	-	-	-	-
Total	479	-	-	-	479

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(All amounts in INR lakhs, unless otherwise stated)

6 **Right of use assets***

Particulars	As at 31 March 2023	As at 31 March 2022
Owned assets		
Buildings		
As at April 1	11,121	6,739
Add Additions	16,162	4,382
Less Modifications / Terminations	2,387	-
As at March 31	**24,896**	**11,121**
Accumulated amortisation		
As at April 1	3,705	2,252
Add Amortisation expense	2,557	1,453
Less : Modifications / Terminations	1,405	-
As at March 31	**4,857**	**3,705**
Net carrying value	**20,039**	**7,416**

*Also refer note 30

7 **Financial assets**

(i) Investments

Particulars	As at 31 March 2023	As at 31 March 2022
Investment in equity instruments (unquoted)		
Investment in subsidiary (at cost unless stated otherwise))		
150 shares (Previous year Nil) fully paid equity shares of $ 1,000 each in StudioC Inc , USA	109	109
	109	**109**
Aggregate book value of unquoted investments	109	109

(ii) Loans receivable

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loan to StudioC Inc (Refer note 29)	1,998	227
	1,998	**227**

(iii) Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Security deposits	1,906	944
Lease receivables (Refer note 30)	4,698	3,482
Other deposits	10	19
	6,614	4,445

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(All amounts in INR lakhs, unless otherwise stated)

8 Income tax

a) The following is the analysis of deferred tax assets/(liabilities):

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets	1,403	5,097
	1,403	**5,097**

Particulars	As at 1 April 2022	Recognised in the statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2023
Deferred tax assets				
Provision for doubtful trade receivables	11	6	-	17
Property, plant and equipment	218	(73)	-	145
Employee benefits	232	86	27	345
Lease liabilities (net of Right-of-use assets)	156	84	-	240
Carryforward of Losses and unabsorbed depreciation	4,480	(3,901)	-	579
Provision for Property, plant and equipment	-	29	-	29
Provision for warranty	-	47	-	47
	5,097	**(3,723)**	**27**	**1,403**

Particulars	As at 1 April 2021	Recognised in the statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2022
Deferred tax assets				
Provision for doubtful trade receivables	-	11	-	11
Property, plant and equipment	-	218	-	218
Employee benefits	-	192	40	232
Lease liabilities (net of Right-of-use assets)	-	156	-	156
Carryforward of Losses and unabsorbed depreciation	-	4,480	-	4,480
	-	**5,057**	**40**	**5,097**

b) Amounts recognised in statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income tax expenses		
Current tax	-	-
Deferred tax	3,723	(5,057)
Income tax included in other comprehensive income on:		
- Remeasurement of employee defined benefit plans	(27)	(40)
Tax expense for the year	**3,696**	**(5,097)**

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c) The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	13,963	4,816
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	3,514	1,212
Effect of:		
Effect of deferred taxes on Carryforward losses, unabsorbed depreciation and others not recognised in earlier year	-	(6,269)
Effect of utilisation of carryforward losses and unabsorbed depreciation against current years profit	209	-
Income tax expense recognised in the statement of profit and loss	**3,723**	**(5,057)**

Note : From the Assessment Year 2022-23 onwards relevant to the previous year 2021-22, the Company has elected to exercise the option permitted under section 115BAA(1) of the Income-tax Act, 1961 after satisfying the conditions contained in section 115BAA(2) as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has not recognized Minimum alternative Tax ('MAT') under the provision for income tax for the year ended 31 March 2023 and computed deferred tax based on the rate prescribed in the said section primarily for the carried forward losses.

d) **The following table provides the details of income tax assets and income tax liabilities as of 31 March 2023 and 31 March 2022:**

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax assets (net)	215	115
Current tax liabilities (net)	-	-
Net current income tax assets at the end of the year	**215**	**115**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net current income tax assets at the beginning of the year	115	96
Income tax paid	127	47
Refund received during the year *	27	28
Net current income tax assets at the end of the year	**215**	**115**

* During the year ended 31 March 2023, refund had been received for Assessement Year 2021-22 of Rs 29.84 Lakhs including Interest on refund amounting to Rs. 2.46 Lakhs

9 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Capital advances	668	166
Deferred rental deposit	124	115
Balance with government authorities	2,344	643
	3,136	924

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10 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	12,545	12,483
Work-in-progress	1,289	1,078
Finished goods	61,835	32,649
Stock-in-trade	13,703	7,170
	89,372	**53,380**

Notes :

(i) The cost of goods sold recognised during the year is INR 140,496 lakhs (previous year: INR 84,858 lakhs).

(ii) The cost of inventories recognised as an expense includes INR 6.70 lakhs (previous year: INR 5 lakhs) in respect of write down of inventory to net-realisable value

(iii) The inventory includes gold purchased on loan from banks amounting to INR 20,931 lakhs (previous year: INR 23,643 lakhs). Also refer notes 18(ii).

(iv) Inventory includes 775 kg of Gold out of which 767 kg are hedged through gold loan from bank and future contracts and 8 kg are unhedged as at 31 March 2023.

(v) There are no goods-in-transit as at 31 March 2023 (Previous year: Rs. Nil).

(vi) Refer point 3(vi) under significant accounting policies for mode of valuation.

11 Financial assets

(i) Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured		
Trade receivables, considered good	1,344	1,024
Receivables from related parties (Refer note 29)	2,261	1,027
Less: Allowance for doubtful trade receivables	-	-
	3,605	**2,051**
Trade receivables, credit impaired	-	43
Less: Allowance for doubtful trade receivables	-	(43)
	3,605	**2,051**

(a) Ageing of receivables :

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment		
	Less than 6 months #	6 months - 1 year	> 1 year
(i) Undisputed Trade receivables – considered good	3,496	109	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-
Total	**3,496**	**109**	-

includes amount not due

* The outstanding amount for more than a year to 2 year amounts to Rs. Nil lakhs, more than 2 year to 3 year amounts to Rs. Nil and for more than 3 years amounts to Rs. Nil

As at 31 March 2022 :

Particulars	Outstanding for following periods from due date of payment		
	Less than 6 months #	6 months - 1 year	> 1 year
(i) Undisputed Trade receivables – considered good	1,865	186	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	3	40
(iv) Disputed Trade Receivables– considered good	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-
Total	**1,865**	**189**	**40**

includes amount not due

* The outstanding amount for more than a year to 2 year amounts to Rs. 28 lakhs, more than 2 year to 3 year amounts to Rs. 5 lakhs and for more than 3 years amounts to Rs. 7 lakhs

(b) Movement in the expected credit loss allowance :

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	43	43
Provision created during the year	-	-
Bad debts written off during the year	(43)	-
Balance at the end of the year	-	43

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Financial assets (continued)
(ii) Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	109	61
Balances with banks :		
(i) in current account	397	336
(ii) in EEFC account	-	29
	506	**426**

(iii) Other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits with original maturity of more than three months	-	2
Deposits under Lien *	178	176
Total	**178**	**178**

* Pertains to deposits with bank for duty free gold purchases which are intended to be exported and deposits given for indirect tax related notices.

(iv) Loans receivable

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Employee loans	523	198
	523	**198**

(v) Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Lease receivables (Refer note 30)	649	625
Security deposits	335	319
Interest receivable from StudioC (Refer Note 29)	56	4
Interest accrued on fixed deposits	20	6
Accrued Income	59	-
Other receivable (Refer note (a) below)	563	476
Margin money for gold future contracts	2,519	56
	4,201	**1,486**

Note :
(a) Balance pertains to amount receivable from franchisee's towards day to day expenditure

12 Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Balance with government authorities (Refer Note (a) below)	10,911	7,511
Prepayments	636	287
Contract assets (Refer note 33)	311	246
Other assets	8	-
Advance to suppliers	1,007	879
Less : Allowance towards advance to supplier	-	(131)
	12,873	**8,792**

Note:
(a) Balance with government authorities pertains cuurent and non current GST credits of Rs.13,255 lakhs (Previous year: Rs. 8,154 lakhs) in respect to GST input credit, transitional credit and deemed credit

(b) Contract asset represents the amount of goods expected to be received by the Company on account of sales return. Also, refer disclosure made under note 33

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(All amounts in INR lakhs, unless otherwise stated)

13 Share capital

Particulars	As at 31 March 2023 No of shares	As at 31 March 2023 Amount	As at 31 March 2022 No of shares	As at 31 March 2022 Amount
Authorised share capital				
Equity share of Rs. 2 each with voting rights	49,953,234	999	49,953,234	999
Total authorised share capital	**49,953,234**	**999**	**49,953,234**	**999**
Issued, subscribed and fully paid up equity share capital				
Equity share of Rs. 2 each with voting rights	33,345,841	667	33,270,052	665
Total issued share capital	**33,345,841**	**667**	**33,270,052**	**665**

(i) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of Rs. 2. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Shares reserved for issue under Employee Stock Option Scheme

During the financial year 2017-18, the Company introduced Caratlane Stock Option Plan 2017 ('the Plan'). This Plan supersedes the following stock options and stock option plans:

a. Executive Management Stock Option Scheme 2009
b. CaratLane Trading India Private Limited Stock Option Scheme for Consultants, 2013
c. Senior Management Stock Option Scheme, 2012

As per the plan, Board of Directors grants options to the employees of the Company. The vesting period of the option is one to four years from the date of grant. Options granted under the Scheme can be exercised within a period of six years from the date of vesting. For employees leaving the organization, an option can be exercised within 3 months from the date of resignation.
During the year the Company granted 2,500 options to employees.

A maximum of 714,017 options are issuable under this plan. The movement in options issued are as below:

Particulars	For the year ended 31 March 2023	Weighted average exercise price	For the year ended 31 March 2022	Weighted average exercise price
Options outstanding at the beginning of the year	574,000	174	552,000	150
Options granted during the year	2,500	474	43,000	474
Options forfeited during the year	(9,000)	302	(2,600)	295
Options exercised during the year	(75,789)	79	(18,400)	135
Outstanding at the end of the year	**491,711**	**188**	**574,000**	**174**
Options exercisable at the end of the year	**379,711**	**133**	**424,900**	106

Fair value measurement

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

The key inputs used in Black-Scholes-Merton Model for calculating fair value of options under the scheme as on the date of grant are as follows:
The weighted average remaining contractual life of the options outstanding as of March 31, 2023 and March 31, 2022 under the Caratlane stock Options Plan was 6 years and 7 years respectively
The fair value of the options is estimated on the date of grant using the Black-Scholes-Merton Model with the following assumptions:

Particulars	31 March 2023	31 March 2022
No. of options granted	2,500	43,000
Date of grant	August 1 2022	July 28,2021
Vesting period	For 1,375 options immediate vesting and 1,125 graded vesting over 4 years	4 years
Dividend yield (%)	-	-
Volatility rate (%)	33.71%	-
Risk free rate (%)	7.21%	6.05%
Expected life of options (years)	5.0	5.5
Weighted average fair value per share (Rs.)	1,128	609

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13 Share capital (continued)

(ii) Shares reserved for issue under Employee Stock Option Scheme (continued)

The stock price of the Company is arrived using discounted cashflow. Implied volatility is the unit at which the price of shares of peer listed companies has fluctuated during the past period. The expected time to maturity/ expected life of the options is the period for which the Company expects the options to be alive, which has been taken as 10 years subject to adjustment of time lapses from the date of grant. The risk free rate considered for calculation is based on the yield on Government Securities for 10 years as on the date of valuation.

During the year ended March 31, 2023, the Company recorded employee compensation of Rs 113 lakhs (Previous year : Rs. 165 lakhs) in the standalone statement of profit and loss towards options granted / forfeited / expired. Refer note 24 for further details.

(iii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount Rs. In lakhs	No. of shares	Amount Rs. In lakhs
Equity shares with voting rights				
At the beginning of the year	33,270,052	665	33,251,652	665
Add: Issue of shares pursuant to options being exercised by employees	75,789	2	18,400	0
At the end of the year	**33,345,841**	**667**	**33,270,052**	**665**

iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% holding	No. of shares held	% holding
Equity shares with voting rights				
Mr. Mithun Padam Sacheti	3,835,327	11.50%	3,835,327	11.53%
Mr. Siddhartha Padam Sacheti	3,700,000	11.10%	3,700,000	11.12%
Mr. Padam Sacheti	1,655,000	4.96%	1,655,000	4.97%
Titan Company Limited (Refer Note 1)	24,036,320	72.08%	24,036,325	72.25%
Total	**33,226,647**	**99.64%**	**33,226,652**	**99.87%**

(v) Shareholding of promoters

Promoter name	As at 31 March 2023			As at 31 March 2022		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Titan Company Limited (Refer Note 1)	24,036,325	72.08%	-	24,036,325	72.25%	-
Mr. Mithun Padam Sacheti	3,835,327	11.50%	-	3,835,327	11.53%	-
Mr. Siddhartha Padam Sacheti	3,700,000	11.10%	-	3,700,000	11.12%	-
Mr. Padam Sacheti	1,655,000	4.96%	-	1,655,000	4.97%	-

Note :
1. Includes shares held by directors jointly with Titan Company Limited and Nominee Directors

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14 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Securities premium *(Amounts received on issue of shares in excess of the par value has been classified as securities premium)*	41,141	40,978
Stock options outstanding account *(Shares granted to employee under employee stock option plan)*	864	851
Retained earnings *(Retained earnings comprise of the Company's prior years' losses after tax)*	(20,277)	(30,518)
Other comprehensive income *(Represents actuarial gain or loss on remeasurement of net defined benefit liability and effective portions of gains and loss on designated portion of hedging instruments in a cash flow hedge)*	(326)	(244)
	21,402	**11,067**

15 Financial liabilities - Non Current

i. Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost:		
Secured		
Long-term borrowings (Term loan)*	219	876
Less: Current maturities of long-term borrowings	(219)	(657)
	-	**219**

* Secured against the Corporate Guarantee issued by Titan Company Limited at an interest rate of 0.5% per annum
The effective interest rate of the term loan was 7.02% per annum and is payable over 48 equal monthly installments begining from 1 June 2019. Current revised rate as per the bank is 7.9% from March 2023. A repayment of Rs.657 lakhs of the principal amount was made during the year.

ii. Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities (Refer note 30)	23,025	10,293
	23,025	**10,293**

iii. Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Rental deposit [refer note 30]	362	312
	362	**312**

16 Other non-current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred rental deposit [refer note 30]	87	108
	87	**108**

17 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity [Refer note 31] - Long Term	693	499
Provision for compensated absences [Refer note 31] - Long Term	-	175
	693	**674**

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18 Financial liabilities - Current

i. Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Bank overdraft and cash credit (Secured) **	33,237	2,631
Current maturities of long term borrowings*	219	657
Unsecured		
Bank overdraft and cash credit (Unsecured)	1,993	-
Commercial paper [refer note 34]	21,262	14,865
	56,711	**18,153**

Notes :

* Refer Note 15(i)

** Secured against the Company's inventory, receivables and movable fixed assets on pari-passu basis. The interest rate on the overdraft varies from 4.3% to 8.6% per annum and is payable at monthly intervals. The overdraft is payable on demand.

The Company has filed statements as at the quarter end with the banks which are in agreement with the books of accounts as at respective quarter ends.

ii. Gold on loan

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Payable to banks*	20,931	23,643
	20,931	**23,643**

*Secured against inventory and receivables. Includes amounts payable against gold purchased from various banks under gold on loan scheme. The interest rate of the gold on loan varies from 2.25% to 2.6% per annum as at 31 March 2023 and is payable at monthly intervals. The credit period under the aforesaid arrangement is 180 days from the date of the delivery of gold.

iii. Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities [refer note 30] - Current	3,317	1,849
	3,317	**1,849**

iv. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables		
Outstanding dues of micro and small enterprises [Refer note (a) below]	3,466	3,970
Outstanding dues of creditors other than micro and small enterprises		
- Creditors for goods	8,222	8,665
- Creditors for services	7,618	4,260
	19,306	**16,895**

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(a) Ageing of Trade Payables :

As at 31 March 2023:

Particulars	Outstanding for following periods from due date of payment	
	Less than 1 year#	More than 1 year*
(i) MSME	3,462	4
(ii) Others	15,707	133
(iii) Disputed dues – MSME	-	-
(iv) Disputed dues – Others	-	-
	19,169	**137**

includes amount not due

* The outstanding amount for more than a year to 2 year amounts to Rs. 4 for MSME and INR 116 lakhs for others, More than 2 year to 3 years amounts to INR Nil for MSME and INR 17 Lakhs for others and for more than 3 years amounts to INR Nil for MSME and INR Nill for others.

As at 31 March 2022:

Particulars	Outstanding for following periods from due date of payment	
	Less than 1 year#	More than 1 year*
(i) MSME	3,961	9
(ii) Others	12,864	61
(iii) Disputed dues – MSME	-	-
(iv) Disputed dues – Others	-	-
	16,825	**70**

includes amount not due

* The outstanding amount for more than a year to 2 year amounts to INR 9 lakhs for MSME and INR 32 lakhs for others, More than 2 year to 3 years amounts to INR Nil for MSME and INR 11 Lakhs for others and for more than 3 years amounts to INR Nil for MSME and INR 18 Lakhs for others.

(b) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2023. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

Particulars	As at 31 March 2023	As at 31 March 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal	3,466	3,970
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	3,466	**3,970**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

v. Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Capital creditors	192	188
Employee payables	1,472	953
	1,664	**1,141**

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19 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred rental deposit	22	27
Statutory dues	545	324
Contract liability (Refer note 33)	472	356
Deposit from franchisee	40	45
Advance from customers	5,522	3,345
	6,601	4,097

20 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (Refer note 31)	181	130
Provision for compensated absences (Refer note 31)	389	118
Provision for warranty	188	104
	758	352

Note a: Provision for warranty

Movement below is for provision of warranty during the year:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	104	60
Provisions made during the year	155	92
Utilsations / reversed during the year	(71)	(48)
Provision at the end of the year	188	104

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21 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Export	4,112	4,771
Domestic	211,397	120,946
Sale of products	**215,509**	**125,717**
	215,509	**125,717**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contracted price	251,281	148,386
Reduction towards variable consideration	35,772	22,669
Revenue recognised	**215,509**	**125,717**

The reduction towards variable consideration comprises of scheme discounts, incentives, etc.

22 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on loan (Refer Note 29)	76	4
Corporate expense cross charge (Refer Note 29)	231	77
Franchisee signining fees	360	95
Deferred rental income	131	69
Rent deposit equalization	55	9
Interest income on financial assets carried at amortised cost (Refer Note 30)	553	566
Profit on sale of property, plant and equipment (Net)	38	14
Net gain on sale of current investments	3	33
Miscellaneous income	730	134
	2,177	**1,001**

23 (a) Cost of material consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories of raw materials at the beginning of the year	12,483	5,047
Add: Purchases	160,704	100,933
Add: Direct Expenses	-	-
Less: Inventories of raw materials at the end of the year	(12,545)	(12,483)
	160,642	**93,497**

23 (b) Purchases of stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchases of traded goods	15,784	11,852
	15,784	**11,852**

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23 (c) Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Finished goods		
- Closing stock	61,835	32,649
- Opening stock	32,649	14,147
	29,186	**18,502**
Work-in-progress		
- Closing stock	1,289	1,078
- Opening stock	1,078	486
	211	**592**
Stock-in-trade		
- Closing stock	13,703	7,170
- Opening stock	7,170	5,773
	6,533	**1,397**
Increase in inventory	**35,930**	**20,491**

24 Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	11,900	8,001
Contribution to provident and other funds (Refer Note 31)	328	231
Staff welfare expense	1,191	554
Employee share based payment expense (Refer Note 13)	113	165
	13,532	**8,951**

25 Finance cost

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on borrowings	3,005	1,093
Interest on lease liabilities	1,636	984
Others	17	7
	4,658	**2,084**

26 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (Refer Note 5(i))	1,175	673
Depreciation of right of use asset (Refer Note 5)	2,548	1,453
Amortisation of intangible assets (Refer Note 5(ii))	750	527
	4,473	**2,653**

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27 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Advertising	15,452	9,272
Agent commission	13,558	7,550
Rent (Refer note 30)	489	110
Freight and forwarding	1,618	1,474
Travelling and conveyance	824	311
Professional service charges	3,328	1,376
Bank charges	803	668
Software expenditure	1,239	828
Allowance for doubtful advances	-	1
Bad debts written off (Net of provision)	-	26
Power and fuel	365	183
Communication expenses	118	103
Rates and taxes	196	53
Director sitting fee (Refer note 29)	29	33
Repairs and maintenance	773	422
Payments to auditors (Refer note below)	55	39
Corporate Social Responsibility (Refer 27.2 below)	18	
Property, plant and equipment wrtitten off	96	33
Intangible assets wrtitten off	17	-
Stores and consumables	264	168
Royalty (Refer note 29)	322	191
Miscellaneous expenses	1,000	515
	40,564	**23,356**

Notes :

27.1 (i) Payment to auditors

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
For statutory audit	28	22
For tax audit	2	2
For Limited review	24	14
Reimbursement of out-of-pocket expenses	1	1
	55	**39**

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27.2 (ii) Corporate Social Responsibility:

(i) Gross amount required to be spent towards corporate social responsibility by the Company during the year: Rs. 17 lakhs

(ii) Amount spent during the year on:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
1. Amount required to be spent by the company during the year	17	-
2. Amount of expenditure incurred on:		
-Construction/acquisition of any asset	-	-
- On purposes other than above	18	-
3. Excess/(Shortfall) at the end of the year	1	-
4. Total of previous years shortfall	-	-
5. Reason for short fall	-	-
6. Nature of CSR Activities	Health, Education, Skill development, Disaster relief, Wellness and Water, Sanitation and Hygiene, Entrepreneurship	Not Applicable

(iii) CSR Contribution to Related parties

Particulars	31 March 2023	31 March 2022
Related Parties	-	-
Unrelated parties	18	-

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28 Earnings per share

Reconciliation of basic and diluted shares used in computing per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Basic and diluted profit per share		
Profit after tax	10,240	9,873
Number of weighted average shares considered for calculation of basics earning per share	**33,296,665**	**33,260,005**
Add : Dilutive effect of stock options	213,096	225,978
Number of weighted average shares considered for calculation of diluted earning per share	**33,509,761**	**33,485,983**
Earning per share		
Nominal value of share (in INR)	2	2
Earnings per share - Basic (in INR)	30.75	29.68
Earnings per share - Diluted (in INR)	30.56	29.48

29 Related party disclosures

i) Relationship

a) Holding company : Titan Company Limited

b) Subsidiary : StudioC Inc.

c) Key management personnel :
- Mr. Mithun Padam Sacheti, Managing Director
- Mr. Bhaskar Bhat, Non-executive Director
- Mr. Ashok Kumar Sonthalia (w.e.f. 26 April 2021)
- Mr. C K Venkataraman, Non-executive Director (w.e.f 22 December 2022)
- Mr. Subramaniam Somasundaram, Non-executive Director (Resigned w.e.f. 27 April 2021)
- Mr. Haresh Ram Chawla, Independent Director (w.e.f. 10 July 2021)
- Mr. Sandeep Anant Kulhalli, Non-executive Director (Resigned w.e.f. 9th Nov 2022)
- Mr. Ajoy Hiro Chawla, Non-executive Director
- Mr. Mathrubootham Rathnagirish, Independent Director (Resigned w.e.f. 27 April 2021)
- Ms. Neelam Chhiber, Independent Director
- Mr. Manoj Bhanawat, Chief Financial Officer
- Ms. Ahona Das (Company Secretary)

d) Enterprises in which Key Management Personnel or relative of Key Management Personnel has significant influence
- Not A Box, Partnership Firm
- Freshworks Inc.
- Microgo, LLP
- Jaipur Gems and Handicrafts Private Limited
- Starfire Gems Private Limited
- Luxury Online Retail India Private Limited
- M/s Yashrey
- Titan Commodity Trading Limited

Transactions with the related parties during the year are set out in the table below:

Name of the related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Jaipur Gems and Handicrafts Private Limited	Sale of goods	980	1
	Reimbursement of expenses - Payable	12	7
	Sale of property plant and equipment	-	0
Starfire Gems Private Limited	Purchase of goods	113	398
	Sale of Goods	-	28
	Rent payable	22	25
	Reimbursement of expenses	-	2
Freshworks Inc	Services	-	39
StudioC Inc.	Sale of goods	3,837	1,022
	Other Income - Cross charge	231	77
	Loan given during the year *	1,771	227
	Investment in equity shares	-	109
	Reimbursement of Expenses	-	2
	Interest on loan	76	4
Titan Company Limited	Purchase of goods	89	216
	Royalty expense	322	191
	Bad Debt Write off	-	22
	Other Income	8	-
	Purchase of capex	-	1
	Rent and miscellaneous income	34	50
	Reimbursement of expenses	14	
	Insurance, salary and other expenses	492	296
	Interest on Corporate guarantee	3	6

* *Includes reinstatement of closing loan balance of Rs 44 lakhs*

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29 Related party disclosures (continued)

Transactions with the related parties during the year are set out in the table below (Contd):

Name of the related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Titan Commodity Trading Limited	Commodity Trading Transactions	509	-
	Cash Margin money	1,386	-
	Interest income	10	-
	Commission on commodity trading services	4	-
Yashrey	Rent	103	-
	Security Deposit	207	-
Mithun Padam Sacheti	Director's remuneration	262	182
Manoj Bhanawat	Chief financial officer remuneration	102	76
Ahona Das Gupta	Remuneration	18	13

Transactions with the related parties during the year are set out in the table below:

Name of the related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Neelam Chhiber	Sitting fees	11	12
Haresh R Chawla	Sitting fees	8	6
Bhaskar Bhat	Sitting fees	6	7
Sandeep Anant Kulhalli	Sitting fees	4	6
Mathrubootham Rathnagirish	Sitting fees	-	1
Neelam Chhiber	Commission to Directors*	-	11
Haresh R Chawla	Commission to Directors*	-	6
Bhaskar Bhat	Commission to Directors*	-	8
Sandeep Anant Kulhalli	Commission to Directors*	-	7
Mathrubootham Rathnagirish	Commission to Directors*	-	1
Not A Box	Reimbursement of expenses/services - Receivable	-	-
Microgo LLP	Reimbursement of expenses/services - Receivable	4	4

* excludes provision for commission payable to directors for year ended 31 March 2023 amounting to Rs.50 Lakhs

Balances as on balance sheet date

Name of the related party	Nature of transaction	As at 31 March 2023	As at 31 March 2022
Starfire Gems Private Limited	Trade payable	4	40
	Trade Receivables	-	28
	Security deposit	6	6
Studio C Inc.	Trade receivable	2,228	994
	Interest receivable	56	4
	Loan to StudioC Inc.	1,998	227
	Investment in share capital	109	109
Titan Company Limited	Trade payable	2	93
	Royalty Payable	324	172
	Trade receivable	32	5
Not A Box	Reimbursement of expenses/services - Receivable	-	6
Microgo LLP *	Trade Payable	-	0
	Security deposit	-	0
Titan Commodity Trading Limited	Cash margin receivable	1,386	-
	Interest receivable	10	-
Yashrey	Security Deposit	207	-

Letter of financial support provided to StudioC Inc. USA for the period ended 31 March 2023.

*Represent amount less than 1 lakh

Notes:

a) The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

b) The above figures do not include provisions for encashable leave, gratuity and pension, as separate actuarial valuation are not available.

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30 Leases

30.1 Amounts recognised in balance sheet

Particulars	Note	As at 31 March 2023	As at 31 March 2022
(i) Right-of-use assets	6		
Buildings		20,039	7,416
(ii) Lease liabilities			
Non-current	15(ii)	23,025	10,293
Current	18(iii)	3,317	1,849
		26,342	12,142
(iii) Lease receivables			
Non-current	6(ii)	4,698	3,482
Current	10(vi)	649	625
		5,347	4,107

30.2 Amounts recognised in the statement of profit and loss

Particulars	Note	As at 31 March 2023	As at 31 March 2022
(i) Depreciation and amortisation expense			
Buildings	26	2,548	1,453
(ii) Interest expense (included in finance cost)	25	1,636	984
(iii) Interest income on sub-lease (included in other income)	22	553	566
(iv) Expense relating to short-term leases	25	183	414
(v) Expense relating to variable lease payments	25	17	12
(vi) Rent concessions	25	-	(317)

(a) Short-term lease has been accounted for applying paragraph 6 of Ind AS 116 - lease and accordingly recognized as expenses in the standalone statement of profit and loss.

(b) The total cash outflow for the year ended March 31, 2023 amounts to Rs. 3,005 lakhs.

31 Employee benefit obligations

a) Defined contribution plan

The contributions recognized in the standalone statement of profit and loss during the year are as under:

Particulars	As at 31 March 2023	As at 31 March 2022
Employee provident fund	320	220
Employee state insurance	7	11

b) Defined benefit plan - Gratuity (non-funded)

Under the defined benefit plan, the company provides for a lumpsum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the company.

The plan typically exposes the company to actuarial risk such as interest risk and salary risk.

Interest risk	A movement in the bond interest rate will impact the plan liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants, as such an increase in the salary of the plan participants and vice-versa.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate (p.a.)	7.30%	6.00%
Salary escalation rate (p.a.)		
- Corporate	10.78%	10.60%
- Non-corporate	9.76%	8.56%
- Manufacturing	9.35%	6.97%
Attrition rate		
- Corporate	26.67%	26.60%
- Non-corporate	24.00%	25.12%
- Manufacturing	6.67%	8.28%

- The employees of the Company are assumed to retire at the age of 58 years.
- The mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2012-14) Ult table.

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Sensitivity analysis

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	For the year ended 31 March 2023	
	Discount rate	Escalation rate
Defined benefit obligation when a plus 50 bps for respective rates is applied	854	893
Defined benefit obligation when a minus 50 bps for respective rates is applied	896	857

Particulars	For the year ended	31 March 2022
	Discount rate	Escalation rate
Defined benefit obligation when a plus 50 bps for respective rates is applied	614	642
Defined benefit obligation when a minus 50 bps for respective rates is applied	644	616

Maturity profile	As at 31 March 2023	As at 31 March 2022
Expected benefits for year 1	181	130
Expected benefits for year 2	161	114
Expected benefits for year 3	139	101
Expected benefits for year 4	127	86
Expected benefits for year 5	109	74
Expected benefits in next 5 years and above	637	371

31 **Employee benefit obligations (continued)**

Components of defined benefit costs recognised in the standalone statement of profit and loss are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Current service cost	141	91
Interest on net defined benefit liability	33	19
Total expense charged to the standalone statement of profit and loss	174	110

Components of defined benefit costs recognised in other comprehensive income are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Remeasurements during the year	107	157

The service cost and the net interest expense for the year are included in the 'Salaries, wages and bonus' line item in the standalone statement of profit and loss. The remeasurement of the net defined liability is included in other comprehensive income. The amount included in the standalone balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening defined benefit liability	629	410
Expense charged to standalone statement of profit and loss	174	110
Amount recognised outside the standalone statement of profit and loss account	107	157
Employer contributions	(37)	(49)
Closing defined benefit liability	874	629

c) Compensated absences

This provision covers the Company's liability for earned leave.

Provision as at March 31, 2023 amounting to Rs. 130 lakhs (2022: Rs. 118 lakhs) is presented as current, since the Company based on past experience does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Similar assumptions have been made as per the defined benefit plan.

The service cost and the net interest expense for the year are included in the 'Salaries, wages and bonus' line item in the statement of profit and loss. The remeasurement of the net liability is included in other comprehensive income. The amount included in the standalone balance sheet arising from the entity's obligation in respect of its compensated absences is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Compensated absences		
Non-current	-	175
Current	389	118
	389	293

32 **Segment reporting**

The Chief Operating Decision Maker ('CODM') evaluates the Company's performance and allocates resources based on analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes. The operating segment has been identified to be "Jewellery" as the CODM reviews business performance at an overall Company level as one segment.

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33 Contract asset and liability

Contract asset represents the amount of goods expected to be received by the Company on account of sales return. Thus, it represents the value of sales the Company estimates to be returned on account of sales return.

Nature	As at 31 March 2023	As at 31 March 2022
Contract liability		
Opening balance	356	274
Less: Provision reversed towards sales returns	(356)	(274)
Add: Provision towards sales return created	472	356
Closing balance	**472**	**356**
Contract assets		
Opening balance	246	197
Less: Provision reversed towards sales returns	(246)	(197)
Add: Provision towards sales return created	311	246
Closing balance	**311**	**246**

34 Commercial paper

The following tables set forth, for the period indicated, details of commercial paper:

March 31, 2023			
Maturities	**0-1 Month**	**2-3 Months**	**4-6 Months**
Face value	-	21,500	-
Carrying value	-	(21,262)	-

The following tables set forth, ratings assigned by credit rating agency at March 31, 2023

Instrument	ICRA	CRISIL
Commercial paper	ICRA [A1+]	CRISIL AA/ Positive

35 Contingent liabilities and commitments

(a) Particulars	As at 31 March 2023	As at 31 March 2022
- Guarantees excluding financial guarantees	-	-
- Claims against the Company not acknowledged as debts:		
Sales tax matters	677	677
- Other money for which the Company is contingently liable	-	-

Out of the above claim of Rs. 677 Lakhs, the contention of the company to the department was that it had paid Rs. 615 Lakhs by way of not transitioning to the GST regime, which again was mentioned by the principal commissioner in his demand order. It is on the ground of non submission of back up documents, the above demand was raised. Further, the Company had taken certification from a Chartered Accountant on such non-transitioning of CENVAT credit to GST regime.

The above amounts are based on the notice of demand or the Assessment Orders or notification by the relevant authorities, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

(b) The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act,1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Company has made a provision for provident fund contribution based on it's interpretation of the said judgement. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

(c) During the previous year, the Company received Show Cause Notice ('SCN') dated 28 March 2022, from the office of the Directorate of Enforcement, Government of India ('DOE') alleging that the Company received Foreign Direct Investment ('FDI') during the year(s) 2011 to 2014 in lieu of issue of shares to overseas investor, which was utilised in Single Brand Retail Trading activities without prior approval from the RBI. The show-cause notice pertained to an alleged violation of FEMA Rules as Foreign Direct Investment in single-brand retail was not permitted under automatic route in above stated periods.

The Company, based upon the management briefing, approached a former Chief Justice of India who had opined that CaratLane was not in violation of the FEMA rules as at the relevant period, it was only engaged in B2B sales and was not in retail trade. Furthermore, during the year, the Company filed detailed reply to the DOE with clarification vide their letter dated October 28, 2022. Thereafter the Company also preferred a Writ Petition bearing No. 30893 of 2022 ("Writ Petition"), filed before the Hon'ble High Court of Judicature at Madras ('Hon'ble Court'), challenging the SCN and proceedings before DOE. The same was heard by the Hon'ble Court on November 21, 2022, and DOE was directed to file a counter-affidavit as its response, within 4 weeks. However, as on date, no response has been filed by DOE and the time period for filing the same has also lapsed. Thelisting of the matter for hearing before Hon'ble Court has not been notified till date.

Based on the legal opinion received and its assessment of transactions and provisions of FEMA Rules for the years under consideration, the Management considered that no provision is required to be carried in the financial statements for the year ended 31 March 2023 in relation to the above matter. The Management would evaluate this position in subsequent years, based on outcome of proceedings before the Hon'ble Court and DOE.

(d) Out of the above claim of Rs. 677 Lakhs, the contention of the company to the department was that it had paid Rs. 615 Lakhs by way of not transitioning to the GST regime, which again was mentioned by the principal commissioner in his demand order. It is on the ground of non submission of back up documents, the above demand was raised. Further, the Company had taken certification from a Chartered Accountant on such non-transitioning of CENVAT credit to GST regime.

(e) Letter of Financial Support to StudioC Inc, USA.

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36 Financial instruments

36.1 Categories of financial instruments

Financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
a. Measured at amortised cost		
- Loans to employees (Refer note 10(v))	523	198
- Security and other deposits (Refer note 6(iii) and note 10(vi))	2,251	1,282
- Trade receivables (Refer note 10(ii))	3,605	2,051
- Cash and cash equivalents (Refer note 10(iii))	506	426
- Other bank balances (Refer note 10(iv))	178	178
- Lease receivables (Refer note 6(iii) and note 10(vi))	5,347	4,107
-Other financial assets (Refer note 6(ii) and note 10(vi))	5,215	878
Total financial assets measured at amortised cost	**17,625**	**9,120**
Total financial assets	**17,625**	**9,120**

Financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
a. Measured at fair value through profit or loss ("FVTPL")		
- Gold on loan	20,931	23,643
Total financial liabilities measured at FVTPL (a)	**20,931**	**23,643**
a. Measured at amortised cost		
- Borrowings	56,711	18,372
- Rental deposits	362	312
- Trade payables	19,306	16,895
- Lease liabilities	26,342	12,142
- Other financial liabilities	1,664	1,141
Total financial liabilities measured at amortised cost (b)	**104,385**	**48,862**
Total financial liabilities (a + b)	**125,316**	**72,505**

36.2 (i) Fair value hierarchy

This note explains about basis for determination of fair values of various financial assets and liabilities:

Particulars	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - March 31, 2023				
Financial liabilities				
- Gold loan	20,931	-	-	20,931
Total financial assets	**20,931**	-	-	**20,931**

Particulars	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - March 31, 2022				
- Gold loan	23,643	-	-	23,643
Total financial assets	**23,643**	-	-	**23,643**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds. The fair value of all equity instruments that are traded in the stock exchanges is valued using the closing price at the reporting period. The mutual funds are valued using the closing net asset value.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case of unlisted instruments, deposits, employee loans etc.

(ii) Valuation technique used to determine fair value

Specific value techniques used to value financial instruments include:
- the use of quoted market prices for listed instruments.
- the fair value of remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying values of financial assets and liabilities approximate the fair values.

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Financial instruments (continued)

36.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company deals majorly with creditworthy counterparties and obtains sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. Credit risk arises principally from the Company's receivables from customers. Credit risk on liquid funds is limited because the counterparties are banks. Refer note 11(ii) for the disclosures for trade receivables.

36.4 Liquidity risk

The Company invests its surplus funds from time-to-time in various short-term instruments. Security of funds and liquidity shall be the primary consideration while deciding on the type of investments. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Liquidity risk tables

The following table below analyses the Company's financial liabilities into relevant maturity groupings based on their maturities for all non-derivative financial liabilities that are net settled.
The tables have been drawn on an undiscounted basis based on the earliest date on which the Company can be required to pay.

Particulars	As at 31 March 2023	As at 31 March 2022
Secured bank overdraft/term loan facility, payable	33,456	3,507
- amount used	10,188	4,993
- amount unused		
Secured gold on loan facility, payable	20,931	23,643
- amount used	36,644	10,357
- amount unused		

Liquidity and interest risk tables

The following tables details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn on an undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Contractual maturities of financial liabilities	Less than 3 months	> 3 months	Total
As at			
31 March 2023			
Non-derivative	19	343	362
- Security deposits	56,711	-	56,711
- Borrowings	18,394	912	19,306
- Trade payables	12,601	8,330	20,931
- Gold loan	804	25,538	26,342
- Lease liabilities	1,662	2	1,664
- Other financial liabilities	**90,191**	**35,125**	**125,316**
Total non-derivative liabilities			

Contractual maturities of financial liabilities	Less than 3 months	> 3 months	Total
As at			
31 March 2022			
Non-derivative	20	292	312
- Security deposits	17,730	642	18,372
- Borrowings	16,303	592	16,895
- Trade payables	8,384	15,259	23,643
- Gold loan	1,387	10,755	12,142
- Lease liabilities	188	953	1,141
- Other financial liabilities	**44,012**	**28,493**	**72,505**
Total non-derivative liabilities			

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Financial instruments (continued)

36.5 **Market risk**

The market risks to which the Company is exposed are price risk and foreign currency risk.

Price risk

The Company is exposed to fluctuations in gold price (including fluctuations in foreign currency) arising on purchase/ sale of gold.

To manage the variability in cash flows, the Company enters into derivative financial instruments to manage the risk associated with gold price fluctuations relating to all the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts and forward foreign exchange contracts. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at any time during the tenor of the loan.

The use of such derivative financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

The following table gives details of contracts as at the end of the reporting year:

Fair value hedges Sell future contracts:

Particulars	Nature of Hedge	Average rate (Per gram)	Quantity of hedge instruments (KGS)	Nominal amount
31 March 2023	Fair value	5,829	355	20,692
31 March 2022	Fair value	5,173	11	569

Cash flow hedge

The Company assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that the Company actually uses. However, this hedge ratio will be rebalanced, when required (i.e., when the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting), by adjusting weightings of the hedged item and the hedging instrument.

Sources of hedge ineffectiveness include mismatch in the weightings of the hedged item and the hedging instrument and the selling rate.

The line item in the standalone balance sheet that include the above hedging instruments are other financial assets and other financial liabilities.

As at March 31, 2023 and March 31, 2022 the aggregate amount of gains under forward/future contracts is recognised in "Other Comprehensive Income" and accumulated in the cash flow hedging reserve. Details of movements in hedging reserve is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at beginning of the year (net of taxes)	-	2
Changes in fair value of effective portion of cash flow hedges	-	-
Cumulative gain/(loss) arising on changes in fair value of cash flow hedges reclassified to standalone statement of profit and loss	-	(2)
Balance at end of the year (net of taxes)	-	-

Fair value hedge

The Company designates derivative contracts as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in gold prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. Therefore, there will be no impact of the fluctuation in the price of the gold on the Company's profit for the period.

The table below shows the position of hedging instruments and hedged items as on the balance sheet date

As at 31 March 2023 :

Commodity price risk	Carrying value of		Maturity date	Impact of fair value hedge	Disclosure in balance sheet
	Hedged item	Hedging instrument			
Hedged item - fixed gold	20,692	-	2 months	-	Inventories
Hedging instrument - derivatives	-	-		-	Other financial assets/ other liabilities

As at 31 March 2022 :

Commodity price risk	Carrying value of		Maturity date	Impact of fair value hedge	Disclosure in balance sheet
	Hedged item	Hedging instrument			
Hedged item - fixed gold	571	-	2 months	2	Inventories
Hedging instrument - derivatives	-	2		(2)	Other financial assets/ other liabilities

Foreign currency risk management

The Company is exposed to foreign exchange risk arising through its sales and purchases denominated in various foreign currencies.

(i) The risk management strategy on foreign currency exchange fluctuation arising on account of purchase/ sale of gold is covered above.

(ii) In respect of normal purchase and sale transactions denominated in foreign currency, contracts are measured at fair value through the standalone statement of profit and loss.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows:

Currency	Liabilities as at		Assets as at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
INR	569	430	4,374	1,826

*Represent amount less than 1 lac

Foreign currency sensitivity analysis

The Company is mainly exposed to USD. The Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies is presented below.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. There is an increase in profit or equity by Rs 48.27 lakhs where the INR strengthens 1% against the relevant currency. For a 1% weakening of the INR against the relevant currency, there would be a comparable decrease in profit or equity.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

37 Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 1,048 lakhs (Previous year: Rs. 155 lakhs)

BSR & Co. LLP

CARATLANE TRADING PVT LTD
CHENNAI
600 006

(All amounts in INR lakhs, unless otherwise stated)

38 Financial Ratios

Ratio	Numerator	Denominator	31 March 2023	31 March 2022	% Variance	Reasons
(a) Current ratio	Total current assets	Total current liabilities	1.02	1.01	1%	-
(b) Debt-equity ratio	Debt consists of borrowings (long term and short term)	Total equity	2.57	1.57	64%	Refer note (a)
(c) Debt service coverage ratio	Profit before finance costs, depreciation and amortisation and tax	Finance costs + Principal repayments during the year	24.45%	18.17%	35%	Refer note (b)
(d) Return on equity ratio	Profit for the year	Total equity	46.40%	84.16%	-45%	Refer note (c)
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	1.97	2.15	-8%	-
(f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	76.21	85.73	-11%	-
(g) Trade payables turnover ratio	Derived purchases	Average trade payables	9.75	9.17	6%	-
(h) Net capital turnover ratio	Revenue from operations	Working capital	109.40	329.96	-67%	Refer note (d)
(i) Net profit ratio	Profit before tax	Revenue from operations	6.48%	3.83%	69%	Refer note (e)
(j) Return on capital employed	Profit before tax and finance cost	Total equity	84%	59%	43%	Refer note (e)

* Finance costs primarily consists of interest on borrowings and interest on lease liabilities.

Notes:
(a) Debt-equity ratio has increased owing to increase in borrowing in the current year compared to previous year.
(b) Debt-service coverage ratio increased owing to increase in borrowing in current year.
(c) Return on equity ratio decreased due to increase in total equity pursuant to increase in profits.
(d) Net capital turnover ratio has improved owing to better working capital during the year and increase in revenues by more than 75% as compared to previous year
(e) Net profit ratio and Return on capital employed has increased due to increase in business operations.

39 Capital management

The Company's policy to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital, as well as level of dividends to equity shareholders. The Company aims to manage its capital efficiency so as to safeguard it ability to continue as a going concern and to optimize returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt is included as a part of borrowings and gold loan.

Particulars	As at 31 March 2023	As at 31 March 2022
Total debt *	56,711	18,372
Total equity	22,070	11,732
Debt to equity ratio	2.57	1.57

* Total debt includes only borrowings. Gold on loan and lease liabilities has not been considered for the purpose of above.

40 Other statutory information :

(i) The Company does not have any Benami property or any proceeding which is pending against the Company for holding any Benami property.
(ii) The Company do not have any transactions with companies struck off.
(iii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
(iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
(v) The Company is not classified as willful defaulter.
(vi) The Company doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.

(vii) 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(is), 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.

(viii) No funds have been received by the Company from any person(s) or entity(is), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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CaratLane Trading Private Limited
Notes to the standalone financial statements for the year ended 31 March, 2023
(All amounts in INR lakhs, unless otherwise stated)

41 Disclosure under section 186 of the Companies Act, 2013

Name of the entity	Nature of relationship	Purpose	As at 1 April 2022	Investment made during the year	Investment sold/ impaired during the year	As at 31 March 2023
Investments						
Investment in equity instruments (unquoted)						
StudioC Inc USA	Subsidiary	Strategic investment	109	-	-	109

Name of the entity	Nature of relationship	Purpose	As at 1 April 2021	Investment made during the year	Investment sold/ impaired during the year	As at 31 March 2022
Investments						
Investment in equity instruments (unquoted)						
StudioC Inc USA	Subsidiary	Strategic investment	-	109	-	109

Name of the entity	Nature of relationship	Secured/unsecured	Purpose	Rate of interest	Term	As at 1 April 2022	Given during the year #	Receipt during the year	As at 31 March 2023
Loans									
StudioC Inc USA	Subsidiary	Unsecured	Business support	8%	2 years	227	1,771	-	1,998

Name of the entity	Nature of relationship	Secured/ unsecured	Purpose	Rate of interest	Term	As at 1 April 2021	Given during the year #	Receipt during the year	As at 31 March 2022
Loans									
StudioC Inc USA	Subsidiary	Unsecured	Business support	5%	2 years	-	227	-	227

Brackets represents numbers pertains to previous year.
 # Includes restatement of closing loan balance of Rs 44 Lakhs

As per our report of even date attached

for P S B & Co. LLP
Chartered Accountants
Firm registration number 101248W / W-100022

for and on behalf of the Board of Directors of
CaratLane Trading Private Limited
(CIN: U52393TN2007PTC064830)

Arjun Ramesh
Partner
Membership No. 218495
Place: Bengaluru
Date: April 28, 2023

Mithun Padam Sacheti
Managing Director
DIN: 01683592
Place: Bengaluru
Date: April 28, 2023

Ashok Kumar Sonthalia
Director
DIN: 03259683
Place: Bengaluru
Date: April 28, 2023

Manoj Bhanawat
Chief Financial Officer
Place: Bengaluru
Date: April 28, 2023

Abona Das Gupta
Company Secretary
Place: Bengaluru
Date: April 28, 2023

CARATLANE TRADING PVT LTD CHENNAI 600 006

B S R & Co. LLP
Chartered Accountants

Embassy Golf Links Business Park,
Pebble Beach, B Block, 3rd Floor, No. 13/2,
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Bengaluru-560 071 India

Telephone: + 91 80 4682 3000
Fax: + 91 80 4682 3999

Independent Auditor's Report

To the Members of CaratLane Trading Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of CaratLane Trading Private Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of report of other auditor on separate financial statements of component audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Revenue Recognition	
See Note 3(i) to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Group recognises revenue when the control of goods being sold is transferred to the customer. A substantial part of Group's revenue relates to jewelry which involves large number of individual sales contracts having varied contractual terms with retail customers, online customers and franchisees. The Group and its external stakeholders focus on revenue as one of the key performance indicators, this increases the risk of misstatement of the timing and existence of revenue recognized.	In view of the significance of the matter, we applied the following audit procedures, among others, to obtain sufficient appropriate audit evidence: 1.Assessed the appropriateness of the accounting policy for revenue recognition as per relevant accounting standard. 2.We evaluated the design and implementation of key internal financial controls and their operating effectiveness with respect to revenue recognition transactions selected on a sample basis. These included general IT controls and key application controls over the IT systems which govern revenue recognition, including access controls controls over program changes. 3.We perused selected samples of key contracts with customers, distributors and franchisees to understand terms and conditions particularly relating to acceptance of goods. 4. We performed substantive testing of retail sales by selecting samples of sales made at the retail outlets using statistical sampling and tested the underlying documents, which included tracing sales to collection reports and bank statements. For sales (other than retail sales), we performed substantive testing using statistical sampling and tested the underlying documentation including verification of invoices and collections thereon. 5.We tested, selected samples of sales transactions made immediately pre and post year end, agreed the period of revenue recognition to the underlying documents. 6.We scrutinised manual journals posted to revenue to identify unusual items.

Inventories	
See Note 3 (vi) to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Group's inventories primarily comprise high value items like jewelry (gold, diamonds, gemstones etc.). The Group holds inventory at various locations including factories, stores (retail outlets) and third party locations. There is a significant risk of loss of inventory given the high value and nature of the inventory involved. In view of the above, we have identified exsitence of physical inventories as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: 1.We evaluated the design, implementation and tested the operating effectiveness of key controls that the Group has in relation to safeguarding and physical verification of inventories including the appropriateness of the Group's standard operating procedures for conducting, recording and reconciling physical verification of inventories and tested the implementation thereof. 2.We evaluated the design, implementation and operating effectiveness of general IT controls and key application controls over the Group's IT systems including those relating to recording of inventory quantities on occurrence of each transaction, including access controls, controls over program changes, interfaces between different systems. 3.For the sampled locations, we attended physical verification of stocks conducted by the Group and performed roll-forward procedures as at the year end, where applicable. We also performed surprise stock counts at selected stores on a sample basis. We also checked on a sample basis reconciliation of inventories as per physical inventory verification and book records. 4.For samples selected using statistical sampling, we obtained independent confirmations of inventories held with third parties.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditor, 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.

Management's and Board of Directors Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a. We did not audit the financial statements of one subsidiary, whose financial statements reflect/ total assets (before consolidation adjustments) of Rs.2,265 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs.5,298 lakhs and net cash flows (before consolidation adjustments) amounting to Rs. 4 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as were audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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 and based on the consideration of the report of the other auditor(s) on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2023.

d (i) The management of the Holding Company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 38 (vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other persons or entities, 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 Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 38 (viii) to the consolidated financial statements, no funds have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding 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 Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company's not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

R. Arjun

Arjun Ramesh

Partner

Membership No.: 218495

ICAI UDIN:23218495BGYWBX5388

Place: Bengaluru

Date: 28 April 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of CaratLane Trading Private Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Arjun Ramesh

Partner

Membership No.: 218495

ICAI UDIN:23218495BGYWBX5388

Place: Bengaluru

Date: 28 April 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of CaratLane Trading Private Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of CaratLane Trading Private Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company , as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding 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 the Holding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls with reference to financial statements.

Annexure B to the Independent Auditor's Report on the consolidated financial statements of CaratLane Trading Private Limited for the year ended 31 March 2023 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated 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 controls 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 B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

R. teja

Arjun Ramesh

Partner

Membership No.: 218495

ICAI UDIN:23218495BGYWBX5388

Place: Bengaluru

Date: 28 April 2023

CARATLANE

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CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

CaratLane Trading Private Limited
Consolidated balance sheet
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	5(i)	7,941	3,010
Capital work-in-progress *	5(iii)	-	2
Right-of-use assets	5	20,153	7,417
Intangible assets	5(ii)	2,945	1,238
Intangible assets under development	5(iv)	98	530
Financial assets			
i. Other financial assets	6	6,876	4,445
Deferred tax assets (net)	7	1,403	5,098
Income tax assets (net)	7	215	115
Other non-current assets	8	3,139	926
		42,770	**22,781**
Current assets			
Inventories	9	90,785	53,940
Financial assets			
i. Trade receivables	10(i)	1,317	1,057
ii. Cash and cash equivalents	10(ii)	681	592
iii. Other bank balances	10(iii)	178	178
iv. Loan receivables	10(iv)	523	198
v. Other financial assets	10(v)	3,943	1,517
Other current assets	11	12,984	8,891
		110,411	**66,373**
		153,181	**89,154**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	667	665
Share application money		1	-
Other equity	13	18,334	10,137
		19,002	**10,802**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	14(i)	-	219
iia. Lease liabilities	14(ii)	23,099	10,293
iii. Other financial liabilities	14(iii)	362	312
Other non-current liabilities	15	87	108
Provisions	15.1	693	674
		24,241	**11,606**
Current liabilities			
Financial liabilities			
i. Borrowings	16(i)	56,712	18,154
ii. Gold on loan	16(ii)	20,931	23,643
iiia. Lease liabilities	16(iii)	3,363	1,849
iv. Trade payables	16(iv)		
(a) Total outstanding dues of micro and small enterprises		3,466	3,970
(b) Total outstanding dues of creditors other than micro and small enterprises		16,089	13,303
v. Other financial liabilities	16(v)	1,689	1,174
Other current liabilities	17	6,924	4,300
Provisions	18	764	353
		109,938	**66,746**
		153,181	**89,154**
Significant accounting policies	3		

*Represents amounts less than Rs. 1 lakh
The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/ W-100022

Arjun Ramesh
Partner
Membership No. 218495
Place: Bengaluru
Date: April 28, 2023

for and on behalf of the Board of Directors of
CaratLane Trading Private Limited
(CIN: U52393TN2007PTC064830)

Mithun Padam Sacheti
Managing Director
DIN: 01683592
Place: Bengaluru
Date: April 28, 2023

Ashok Kumar Sonthalia
Director
DIN: 03259683
Place: Bengaluru
Date: April 28, 2023

Manoj Bhanawat
Chief Financial Officer
Place: Bengaluru

Ahona Das Gupta
Company Secretary
Place: Bengaluru

CARATLANE TRADING PVT LTD CHENNAI 600 006

CaratLane Trading Private Limited
Consolidated statement of profit and loss
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	19	216,881	125,563
Other income	20	1,908	899
Total income (I)		**218,789**	**126,462**
Expenses			
Cost of materials consumed		160,642	93,498
Purchase of stock-in-trade	21	16,593	12,132
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(36,783)	(21,050)
Employee benefits expense	22	13,543	8,963
Finance costs	23	4,661	2,084
Depreciation and amortisation expense	24	4,561	2,664
Other expenses	25	43,637	24,299
Total expenses (II)		**206,854**	**122,590**
Profit before tax (III) [(I)-(II)]		**11,935**	**3,872**
Tax expense (IV)			
- Current tax	7	4	1
- Deferred tax		3,723	(5,058)
Profit after tax (A) [(III)-(IV)]		**8,208**	**8,929**
Other comprehensive income			
Items that will not be reclassified to the consolidated statement of profit and loss:			
- Remeasurements of employee defined benefit plans		(107)	(157)
- Income-tax on above		27	40
Exchange differences in translating the financial statements of foreign operations		(105)	13
Items that will be reclassified to the statement of profit and loss:			
- Effective portions of gains and loss on designated portion of hedging instruments in a cash flow hedge		-	2
Total other comprehensive income (B)		**(185)**	**(103)**
Total comprehensive income for the year (A+B)		**8,023**	**8,827**
Earnings per equity share (par value of Rs. 2 per share)			
Basic earnings per share		24.65	26.85
Diluted earnings per share	26	24.49	26.67

Significant accounting policies 3
The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/ W-100022

Arjun Ramesh
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Date: April 28, 2023

Ahona Das Gupta
Company Secretary
Place: Bengaluru
Date: April 28, 2023

CaratLane Trading Private Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**11,935**	**3,872**
Adjustments for:		
Depreciation and amortisation expenses	4,561	2,664
Allowance for doubtful receivables and bad debts written off	-	27
Interest income	(6)	(5)
Interest income on financial assets carried at amortised cost	(553)	(566)
Deferred rental income and rent equalisation	(186)	(78)
Gain on sale of investment (net)	(3)	(33)
Finance cost	4,661	2,084
(Profit) / loss on sale of property, plant and equipment (net)	(38)	(14)
Adjustment for foreign currency translation reserve	-	13
Property, plant and equipment wrtitten off	-	33
Intangible assets wrtitten off	20	-
Employee stock option expense	113	165
Operating profit before working capital changes	**20,504**	**8,162**
Change in operating assets and liabilities		
(increase)/ decrease in trade receivables	(260)	(175)
(increase)/ decrease in inventories	(36,845)	(28,487)
(increase)/ decrease in loans receivable, financial and other assets	(9,722)	(4,278)
increase/ (decrease) in other financial liabilities	570	873
increase/ (decrease) in provisions	323	305
increase/ (decrease) in gold on loan and trade payables	(430)	21,528
increase/ (decrease) in other liabilities	2,602	1,145
Cash generated (used in) operating activities before taxes	**(23,258)**	**(927)**
Income taxes paid	(100)	(19)
Net cash outflow (used in) operating activities (A)	**(23,358)**	**(946)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets and intangible assets under development	(8,911)	(2,775)
Proceeds from sale of property, plant and equipment	241	111
Purchase/sale of Mutual Fund investments, net	-	1,285
Interest received	728	566
(Investment)/redemption in other bank balances	-	(111)
Lease payments received from sub-leases	1,086	614
Net cash (used in) investing activities (B)	**(6,856)**	**(310)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Payment towards lease liabilities	(5,080)	(3,014)
Proceeds towards issue of share capital	65	22
Repayment from borrowings	(366,645)	(70,491)
Proceeds from borrowings	404,984	75,936
Interest paid	(3,021)	(1,100)
Net cash generated from financing activities (C)	**30,303**	**1,353**
Net cash increase in cash and cash equivalents (A+B+C)	**89**	**97**
Cash and cash equivalents as at the beginning of the year (Refer note 10(iii))	592	495
Cash and cash equivalents as at the end of the year (Refer note 10(iii))	**681**	**592**

BSR & Co. LLP

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CaratLane Trading Private Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Debt reconciliation statement in accordance with Ind AS 7		
Borrowings		
Opening balance	18,373	12,928
Repayment from borrowings	(366,645)	(70,491)
Proceeds from borrowings	404,984	75,936
Closing balance	**56,712**	**18,373**
Reconciliation of Lease liability		
Opening balance	12,142	9,497
Payments made during the year	(5,080)	(3,014)
Non-cash changes	19,400	5,659
Closing balance	**26,462**	**12,142**
Significant accounting policies	3	

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/ W-100022

Arjun Ramesh
Partner
Membership No. 218495
Place: Bengaluru
Date: April 28, 2023

for and on behalf of the Board of Directors of
CaratLane Trading Private Limited
(CIN: U52393TN2007PTC064830)

Mithun Padam Sacheti
Managing Director
DIN: 01683592
Place: Bengaluru
Date: April 28, 2023

Ashok Kumar Sonthalia
Director
DIN: 03259683
Place: Bengaluru
Date: April 28, 2023

Manoj Bhanawat
Chief Financial Officer
Place: Bengaluru
Date: April 28, 2023

Ahona Das Gupta
Company Secretary
Place: Bengaluru
Date: April 28, 2023

CARATLANE TRADING PVT LTD
CHENNAI
600 006

CaratLane Trading Private Limited
Consolidated statement of changes in equity
(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance at the April 1, 2021	665
Changes in equity share capital during the year	0
As at March 31, 2022	665
Changes in equity share capital during the year	2
As at March 31, 2023	667

B. Other equity

Particulars	Reserves and surplus			Other comprehensive income			Total
	Securities premium	Stock options outstanding account	Retained earnings	Cash flow hedge reserve	Foreign Currency Translation Reserve	Re-measurement of defined benefit obligation	
Balance at the April 1, 2021	40,925	718	(40,390)	(2)	-	(127)	1,123
Premium on shares issued during the year	53	(32)	-	-	-	-	22
Profit for the year	-	-	8,929	-	-	-	8,929
Employee stock option expense	-	165	-	-	-	-	165
Other comprehensive income for the year (net of taxes)	-	-	-	2	13	(117)	(102)
Total comprehensive income for the year			8,929	2	13	(117)	8,827
Balance as at March 31, 2022	40,978	851	(31,461)	-	13	(244)	10,137
Balance as at April 1, 2022	40,978	851	(31,461)	-	13	(244)	10,137
Premium on shares issued during the year	163	(100)	-	-	-	-	62
Profit for the year	-	-	8,208	-	-	-	8,208
Employee stock option expense	-	113	-	-	-	-	113
Other comprehensive income for the year (net of taxes)	-		-	-	(105)	(80)	(185)
Total comprehensive income for the year			8,208	-	(105)	(80)	8,023
Balance as at March 31, 2023	41,141	864	(23,253)	-	(92)	(326)	18,334

Significant accounting policies 3

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/ W-100022

Arjun Ramesh
Partner
Membership No. 218495
Place: Bengaluru
Date: April 28, 2023

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Ahona Das Gupta
Company Secretary
Place: Bengaluru
Date: April 28, 2023

CARATLANE TRADING PVT LTD
CHENNAI
600 006

1 **Corporate information**

CaratLane Trading Private Limited ("The Company") and its subsidiary (collectively, the "Group"), is primarily involved in manufactures and trading of jewellery. Till 31 January 2023, the registered office of the address of the Group was 2nd,3rd & 4th Floor,No.32, Rutland Gate 2nd Street, Khader Nawaz Khan Road, Nungambakkam, Chennai, Tamil Nadu - 600006.

During the year ended 31 March 2023, with effect from 31 January 2023, the registered address of the Company has been changed to 727, Anna Salai, Pathari Road Thousand Lights, Chennai TN 600006.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2023 and authorised for issue on April 28, 2023

2 **Basis of preparation and presentation**

(i) Statement of compliance

The consolidated financial statements comply in all material aspects with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with Section 133 of the Companies Act, 2013 ('the Act') and other relevant provision of the act under going concern asssumption using the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values notified under the Act and Rules prescribed thereunder. (together hereinafter referred to as 'consolidated Financial Statements' or 'financial statements').

(ii) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis under the historical cost convention except for the following items:

a. Certain financial assets and liabilities that are measured at fair value.
b. Share based payments that are measured at fair value.
c. Net defined benefit liability that are measured at fair value of present value of defined benefit obligations.
d. Right of use assets and lease liabilities are measured at fair market value as per Ind AS 116.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Use of estimates, assumptions and judgement

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies on the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates, assumptions and judgement are based on management's evaluation of relevant facts and circumstances as on the date of financial statements The actual result may differ from these estimates.
Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized prospectively.

Judgements
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:
- Note 28 – Leases – whether an arrangement contains a lease
- Note 29 – Measurement of defined benefit obligations - Key actuarial assumptions
- Note 31 - Contract asset and liability

Assumptions and estimation
Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 31 March 2023 is included in the following notes:
- Note 5 (i) – Useful life of the Property, plant and equipment;
- Note 5 (ii) – Useful life of the Intangible assets;
- Note 7 - Deferred tax assets - Valuation;
- Note 28 – Leases - Lease term and incremental borrowing rate
- Notes 29 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 31 - Contract asset and liability
- Note 33 – Contingent liabilities and commitments;
- Note 34 – Fair value measurement of financial instruments

(iv) Functional and presentation currency
Items included in the consolidated financial statements of the group are measured using the currency of the primary economic environment in which the group operates (i.e. the "functional currency"). The consolidated financial statements are presented in Indian Rupee ("Rs." or "INR"), which is the group's functional and presentation currency and is rounded-off to the nearest lakh except when otherwise indicated.

(v) Measurement of fair values
Certain accounting policies and disclosures of the group require the measurement of fair values, for both financial and non-financial assets and liabilities.

The group has an established control framework with respect to the measurement of fair values and the valuation team regularly reviews significant unobservable inputs and valuation adjustments.
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 group uses observable market data as far as possible.
If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the 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.

Further information about the assumptions made in the measuring fair values is included in the following notes:

CHENNAI 600 006

(vi) Basis of consolidation
The consolidated financial statements relate to CaratLane Trading Private Limited and entities controlled by the Company. Control is achieved when the Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect the entity's returns by using its power over the entity.
The standalone financial statements of the Company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profit or losses. These financial statements are prepared by applying uniform accounting policies in use at the Group.
Entities controlled by the Company are consolidated from the date the control commences until the date control ceases.
The subsidiary company which are included in the consolidation and the Company's holdings is StudioC Inc., the subsidiary is incorporated in the United states of America and the ownership interest of the Company is 100% (Previous year:100%)

The financial statements of the subsidiary company which is included in the consolidation are drawn upto the same reporting date as that of the Company i.e. March 31, 2023. The financial statements of the subsidiary included in consolidation are audited by other auditors.

3 **Significate accounting policies**
The accounting policies set out below have been applied consistently to all periods presented in these consolidated Financial Statements unless otherwise indicated.

(i) Revenue recognition
Revenue is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the group expects to receive in exchange for those goods or services.

Sale of products
Revenue from the sale of products is recognised at the point in time when control is transferred 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, 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.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Use of significant judgements in revenue recognition.
• The group's contracts with customers could include promises to transfer multiple goods to a customer. The group assesses the goods promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

• Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct good from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

• The group uses judgement to determine an appropriate consolidated selling price for a performance obligation. The group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct good or service promised in the contract. Where consolidated selling price is not observable, the group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

Interest income is recognized as it accrues in the consolidated statement of profit and loss using effective interest rate method.
Commission income is generally recognized when the related sale is executed as per the terms of the agreement.

The group has determined that the revenues as disclosed in Note 19 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

i (a) Other income
Franchisee Signing Fees :Franchisee signing fees is recognised based on the franchisee stores opened during the year which varies based on the location. It excludes taxes remitted to the government which are recovered from the Franchisee's.

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CARATLANE TRADING PVT LTD
CHENNAI
600 006

(ii) Property, plant and equipment

Items of Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use.

Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Advance paid towards acquisition of fixed assets outstanding at each balance sheet date is disclosed as capital advances under non-current assets.
Any gain or loss on disposal of an item of property, plant and equipment is recognized in the consolidated statement of profit or loss. Capital work-in-progress comprises the cost of assets that are not ready for their intended use at the balance sheet date.

When significant parts of plant and equipment are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. Repairs and maintenance costs are recognised in the statement of profit and loss as incurred.

The group identifies and determines cost of each component/ part of property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the property, plant and equipment and has useful life that is materially different from that of the remaining asset. Leasehold improvements are amortized over the estimated useful life of the asset or the lease period whichever is less.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of Property, plant and equipment and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of Property, plant and equipment and are recognized in the consolidated statement of profit and loss when the Property, plant and equipment is derecognized.

3 Significate accounting policies (continued)

(ii) Property, plant and equipment (continued)

Depreciation methods, estimated useful life and residual value
Depreciation is calculated using straight-line method to allocate their cost, net of their estimated residual values, over the useful lives of assets which is as follows:

Asset category	Management estimate of useful life	Useful life as per schedule II
Furniture and fittings	10 years	10 years
Computer equipment	3 years	3 years
Computer server	6 years	6 years
Office equipments	5 years	5 years
Jewellery Machine	15 years	15 years
Vehicles	5 years	8 years
Mock jewellery	1 year	1 year
Leasehold improvements	4 years or lease period which ever is lower	Lease period

Depreciation for assets purchased / sold during the period is proportionally charged.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

(iii) Intangible assets
(a) Internally generated : Research and development

Expenditure on research activities is recognized in the statement of profit and loss as incurred.
Development expenditure is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses.

(b) Amortization
Amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortization in Statement of Profit and Loss.
The estimated useful lives are as follows:

Asset	Useful life
Computer software	3 years
Caratlane portal	3 years

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

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3 **Significate accounting policies (continued)**

(iv) Impairment

(a) Financial assets

The group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through the statement of profit and loss. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted using the effective interest rate. Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL, as required. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

(b) Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in -use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(v) Leases

Group as a lessee

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 group assesses whether:

a. the contract involves the use of an identified asset;

b. the group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

c. the group has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the group. Generally, the group uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.
The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

When the group acts as a lessor at the inception, it determines whether each lease is a finance lease or an operating lease.
The group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short -term lease to which the group applies the exemption described above, then it classifies the sub-lease as an operating lease.
If an arrangement contains a lease and non-lease components, the group applies Ind AS 115-Revenue to allocate the consideration in the contract.

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3 **Significate accounting policies (continued)**

(vi) Inventories
Inventories [other than quantities of gold for which the price is yet to be determined with the suppliers (Unfixed Gold)] are measured at the lower of cost and net realizable value. The cost is determined as follows:
(i) Raw materials are valued at weighted average except solitaires which are valued at the cost of purchase.
(ii) Work-in-progress and finished goods (other than gold) are valued at weighted average cost of production.
(iii) Traded goods are valued at weighted average / cost of purchase.
(iv) 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 group), 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 date of receipt of gold.
Net realizable value represent the estimated selling price for inventories less estimated cost of completion and costs necessary to make the sale.

(vii) Foreign currency transactions and balances
Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the consolidated statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the consolidated balance sheet date are translated at the exchange rates on that date. The resultant exchange differences are recognized in the consolidated statement of profit and loss.

Non-monetary assets and liabilities which are carried in terms of historical cost denominated in foreign currency are translated at an exchange rate that approximates the rates prevalent on the date of the transaction.

(viii) Taxation
Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in consolidated statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively

a) Current income tax: Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred income tax: Deferred income tax assets and liabilities are recognized using the balance sheet approach. Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred income tax assets are recognized for carry forward of unused tax credits and unused tax losses, to the extent that there is convincing evidence that taxable profit will be available against which the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as an income or expense in the period that includes the enactment or substantive enactment date.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity.

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3 Significate accounting policies (continued)

(ix) Employee benefits

i) Short term employee benefits

All employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, short-term compensated absences and incentives etc., are recognized in the consolidated statement of profit and loss for the year in which the employee renders the related service.

ii) Defined contribution plan

All eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and the group make monthly contribution to the fund, which is equal to a specified percentage of the covered employee's basic salary and including other fixed component not linked to the performance of employees. The group has no further obligations under this plan beyond its monthly contributions.

iii) Post employment benefits

The group provides for gratuity, a defined benefit plan covering all eligible employees. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried at the year-end using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date having maturity periods approximating the term of the related obligation. The group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to consolidated statement of profit and loss. As required under Ind AS compliant Schedule III, the group transfers it immediately to retained earnings.

The plan provides a lump-sum payment to eligible employees at retirement or on termination of employment based on the salary of the respective employee and the years of employment with the group. The gratuity liability is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary.

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 recognized as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date using the projected unit credit method.

(x) Employee stock option expense

The group measures compensation cost relating to share-based payments using the fair valuation method in accordance with Ind AS 102, Share-Based Payment. Compensation expense is amortized over the vesting period of the option on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes-Merton 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.

The cost of equity settled transactions is recognized, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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3 Significate accounting policies (continued)

(xi) Financial instruments

Recognition of financial assets and financial liabilities:

Financial assets and financial liabilities are recognized when the group becomes a party to the contractual provisions of the instruments.

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.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of financial assets.

A) Financial assets

Classification of financial assets:

On initial recognition, a financial asset is classified at

(i) Amortized cost

(ii) Fair value through other comprehensive income (FVOCI)

(iii) Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the group changes its business model for managing financial assets.

(i) Financial assets carried at amortized 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.

Financial assets at fair value through comprehensive income

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.

Financial assets at fair value through profit and loss

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

B) Financial liabilities: classification, subsequent measurement and derecognition:

Financial liabilities carried at amortized cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial liabilities at fair value through profit and loss

A financial liabilities which is not classified in any of the above categories are subsequently carried at fair value through profit or loss.

Derecognition

Financial assets

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the consolidated statement of profit and loss.

Offsetting

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

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3 Significate accounting policies (continued)

(xii) Derivative financial instruments

a. Fair value hedge

With effect from 1 November 2021, the Group adopted fair value hedge for the derivative contracts entered into and designated derivative contracts or non-derivative financial liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss with an adjustment to the carrying value of the hedged item. Hedge accounting is discontinued when the Group revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

The Group designates derivative contracts as hedging instruments to mitigate the risk of change in fair value of hedged item i.e. fixed gold inventory due to movement in gold prices. The Group also designated the trade payables pertaining to gold taken on loan from banks ('unfixed gold') as a fair value hedge to the corresponding gold inventory purchased on loan.

b. Cash flow hedge

The Group uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments. The Group has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

The use of derivative financial instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Group's risk management strategy.

Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under the heading hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in hedging reserve is retained until the forecast transaction occurs upon which it is recognised in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognised immediately to the statement of profit and loss.

The Group has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions. The Group has followed cashflow hedge for hedging contracts taken till 31 October 2021.

(xiii) Provisions and contingent liabilities

a. General

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the group expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

b. Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

c. Onerous contracts

Provision for onerous contracts i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

(xiv) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, demand deposits with banks and balances with banks. The group considers all highly liquid investments with an original maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(xv) Consolidated cash flow statement

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

(xvi) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with borrowing of funds. The borrowing cost includes interest expense accrued on gold on loan taken from banks. Borrowing costs attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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CaratLane Trading Private Limited
Notes to the consolidated financial statements

3 Significate accounting policies (continued)

(xvii) Earning per share
Basic earning per share is computed by dividing the net loss after tax by the weighted average number of equity shares outstanding during the year. Diluted loss per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic loss per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the year, using the treasury stock method for options, except where the results would be anti-dilutive. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

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

4 Recent pronouncements:
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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atLane Trading Private Limited
es to the consolidated financial statements
amounts in INR lakhs, unless otherwise stated)

Property, plant and equipment*

Particulars	Gross carrying amount					Accumulated depreciation					Carrying amount (net)
	As at 1 April 2022	Additions	Deletions	Adjustments	As at 31 March 2023	As at 1 April 2022	Charge for the year	Deletions	Adjustments	As at 31 March 2023	As at 31 March 2023
Tangible assets											
Furniture and fittings	921	929	60	0	1,790	306	115	9	0	413	1,377
Leasehold improvements	1,631	3,200	118	0	4,713	909	423	52	0	1,280	3,433
Computer equipment	1,033	724	1	0	1,756	569	337	-	0	907	850
Computer server	38	-	-	-	38	19	2	-	-	22	16
Mock jewellery	250	-	-	-	250	250	-	-	-	250	(0)
Office equipment	1,136	1,049	68	1	2,117	498	239	15	0	722	1,395
Jewellery machine	693	421	47	0	1,067	141	63	6	0	198	868
Vehicles	3	-	-	-	3	2	-	-	-	2	1
Total (A)	**5,705**	**6,322**	**294**	**1**	**11,734**	**2,695**	**1,179**	**82**	**0**	**3,794**	**7,941**

Particulars	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	As at 1 April, 2021	Additions	Deletions	As at 31 March 2022	As at 1 April, 2021	Additions	Deletions	As at 31 March 2022	As at 31 March 2022
Tangible assets									
Furniture and fittings	795	200	74	921	253	82	29	306	615
Leasehold improvements	1,242	464	75	1,631	729	229	49	909	722
Computer equipment	635	409	11	1,033	432	178	40	569	464
Computer server	32	6	-	38	16	3	-	19	18
Mock jewellery	250	-	-	250	250	-	-	250	-
Office equipment	731	501	96	1,136	391	138	31	498	638
Jewellery machine	491	227	25	693	99	44	2	141	552
Vehicles	3	-	-	3	2	-	-	2	1
Total (A)	**4,179**	**1,807**	**281**	**5,705**	**2,172**	**674**	**151**	**2,695**	**3,010**

*Refer note 16(i)

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Intangible assets

Particulars	Gross carrying amount					Accumulated amortization					Carrying amount (net)
	As at 1 April 2022	Additions	Deletions	Adjustments	As at 31 March 2023	As at 1 April 2022	Charge for the year	Deletions	Adjustments	As at 31 March 2023	As at 31 March 2023
Intangible assets											
Computer software	2,736	2,524	127	9	5,142	1,498	813	116	2	2,197	2,945
Caratlane portal	239	-	-	-	239	239	-	-	-	239	-
Total	**2,975**	**2,524**	**127**	**9**	**5,381**	**1,737**	**813**	**116**	**2**	**2,436**	**2,945**

Particulars	Gross carrying amount				Accumulated amortization				Carrying amount (net)
	As at 1 April, 2021	Additions	Deletions	As at 31 March 2022	As at 1 April, 2021	Charge for the year	Deletions	As at 31 March 2022	As at 31 March 2022
Intangible assets									
Computer software	1,658	1,078	-	2,736	961	537	-	1,498	1,238
Caratlane portal	239	-	-	239	239	-	-	239	-
Total	**1,897**	**1,078**	-	**2,975**	**1,200**	**537**	-	**1,737**	**1,238**

Ageing of Capital Work in Progress

As at 31 March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Projects in progress *	-	-	-	-	-
(b) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Projects in progress *	2	-	-	-	2
(b) Projects temporarily suspended	-	-	-	-	-
Total	2	-	-	-	2

* Represent amount less than 1 lakh

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(Amounts in INR lakhs, unless otherwise stated)

Ageing of Intangible assets under development:

As at 31 March 2023

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
a) Projects in progress	98	-	-	-	98
b) Projects temporarily suspended	-				-
Total	98	-	-	-	98

As at March 31, 2022

CWIP	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
a) Projects in progress	530	-	-	-	530
(b) Projects temporarily suspended	-	-	-	-	-
Total	530	-	-	-	530

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Notes to the consolidated financial statements
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5 Right of use assets*

Particulars	As at 31 March 2023	As at 31 March 2022
Owned assets		
Buildings		
As at April 1	11,121	6,739
Add : Additions	16,298	4,382
Less : Modifications / Terminations	2,387	-
As at March 31	25,032	11,121
Accumulated amortisation		
As at April 1	2,579	2,252
Add : Amortisation Expenses	2,570	1,453
Less : Modifications / Terminations	270	-
As at March 31	4,879	3,705
Net carrying value	20,153	7,416

*Also refer note 28

6 Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Security deposits	2,168	944
Lease receivables (Refer note 28)	4,698	3,482
Other deposits	10	19
	6,876	4,445

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(All amounts in INR lakhs, unless otherwise stated)

7 Income tax

a) The following is the analysis of deferred tax assets/(liabilities):

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets	1,403	5,098
	1,403	**5,098**

Particulars	As at 1 April 2022	Recognised in the statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2023
Deferred tax assets				
Provision for doubtful trade receivables	11	6	-	17
Property, plant and equipment	218	(73)	-	145
Employee benefits	233	86	27	346
Lease liabilities (net of Right-of-use assets)	156	84	-	240
Carryforward of losses and unabsorbed depreciation	4,480	(3,901)	-	579
Provision for property, plant and equipment	-	29	-	29
Provision for warranty	-	47	-	47
	5,098	**(3,723)**	**27**	**1,403**

Particulars	As at 1 April 2021	Recognised in the statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2022
Deferred tax assets				
Provision for doubtful trade receivables	-	11	-	11
Property, plant and equipment	-	218	-	218
Employee benefits	-	193	40	233
Lease liabilities (net of Right-of-use assets)	-	156	-	156
Carryforward of losses and unabsorbed depreciation	-	4,480	-	4,480
	-	**5,058**	**40**	**5,098**

b) Amounts recognised in statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income tax expenses		
Current tax	4	1
Deferred tax	3,723	(5,058)
Income tax included in other comprehensive income on:		
- Remeasurement of employee defined benefit plans	(27)	(40)
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		
Tax expense for the year	**3,700**	**(5,097)**

c) The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	11,935	3,872
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	3,004	975
Effect of:		
Effect of deferred taxes on carryforward losses, unabsorbed depreciation and others not recognised in earlier year	-	(6,032)
Effect of utilisation of carryforward losses and unabsorbed depreciation against current years profit	209	-
Ineligible Items	510	-
Income tax expense recognised in the statement of profit and loss	**3,723**	**(5,057)**

Note : From the Assessment Year 2022-23 relevant to the previous year 2021-22, the Company has elected to exercise the option permitted under section 115BAA(1) of the Income-tax Act, 1961 after satisfying the conditions contained in section 115BAA(2) as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has not recognized Minimum alternative Tax ('MAT') under the provision for income tax for the previous year ended 31 March 2023 and computed deferred tax based on the rate prescribed in the said section primarily for the carried forward losses.

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d) The following table provides the details of income tax assets and income tax liabilities as of 31 March 2023 and 31 March 2022:

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax assets (net)	215	115
Current tax liabilities (net)	-	-
Net current income tax assets at the end of the year	**215**	**115**

Particulars	As at 31 March 2023	As at 31 March 2022
Net current income tax assets at the beginning of the year	115	96
Income tax paid	127	49
Refund received during the year *	27	30
Net current income tax assets at the end of the year	**215**	**115**

* During the year ended 31 March 2023, refund had been received for Assessment Year 2021-22 of Rs.29.84 Lakhs including Interest on refund amounting to Rs. 2.46 Lakhs

8 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Capital advances	671	168
Deferred rental deposit	124	115
Balance with government authorities (Refer Note 11 below)	2,344	643
	3,139	**926**

9 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	12,545	12,483
Work-in-progress	1,289	1,078
Finished goods	61,835	32,649
Stock-in-trade	15,116	7,730
	90,785	**53,940**

(i) The cost of goods sold recognised during the year is INR 140,452 lakhs (previous year: INR 84,580 lakhs).
(ii) The cost of inventories recognised as an expense includes INR 10.26 lakhs (previous year: INR 5 lakhs) in respect of write down of inventory to net-realisable value.
(iii) The inventory includes gold purchased on loan from banks amounting to INR 20,931 lakhs (previous year: INR 23,643 lakhs). Also refer notes 16(ii).
(iv) Inventories includes 775 kg of Gold out of which 767 kg are hedged through gold loan from bank and future contracts and 8 kg are unhedged as at 31 March 2023.
(vi) There are no goods-in-transit as at 31 March 2023 (Previous year: Rs. Nil)
(v) Refer point 3(vi) under significant accounting policies for mode of valuation.

10 Financial assets

(i) Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured		
Trade receivables, considered good	1,285	1,024
Receivables from related parties (Refer note 27)	32	33
Less: Allowance for doubtful trade receivables	-	-
	1,317	**1,057**
Trade receivables, credit impaired	-	43
Less: Allowance for doubtful trade receivables	-	(43)
	1,317	**1,057**

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(a) Ageing of receivables :

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment		
	Less than 6 months #	6 months - 1 year	> 1 year
(i) Undisputed Trade receivables – considered good	1,208	109	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-
Total	1,208	109	-

\# includes amount not due
* The outstanding amount for more than a year to 2 year amounts to Rs. Nil, more than 2 year to 3 year amounts to Rs. Nil and for more than 3 years amounts to Nil.

As at 31 March 2022:

Particulars	Outstanding for following periods from due date of payment		
	Less than 6 months #	6 months - 1 year	> 1 year
(i) Undisputed Trade receivables – considered good	871	186	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	3	40
(iv) Disputed Trade Receivables– considered good	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-
Total	871	189	40

\# includes amount not due
* The outstanding amount for more than a year to 2 year amounts to Rs. 28 lakhs, more than 2 year to 3 year amounts to Rs. 5 lakhs and for more than 3 years amounts to Rs. 7 lakhs.

(b) Movement in the expected credit loss allowance :

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	43	43
Provision created during the year	-	-
Bad debts written off during the year	(43)	-
Balance at the end of the year	-	43

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Financial assets (continued)

(ii) Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	110	64
Balances with banks :		
(i) in current account	571	499
(ii) in EEFC account	-	29
	681	592

(iii) Other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits with original maturity of more than three months	-	2
Deposits under Lien *	178	176
Total	178	178

* Pertains to deposits with bank for duty free gold purchases which are intended to be exported and deposits given for indirect tax related notices.

(iv) Loans receivable

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Employee loans	523	198
	523	198

(v) Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Lease receivables (Refer note 28)	649	625
Security deposits	85	320
Interest accrued on fixed deposits	20	6
Accrued income	59	-
Other receivable (Refer note (a) below)	611	510
Margin money for gold future contracts	2,519	56
	3,943	1,517

Note :
(a) Balance pertains to amount receivable from franchisee's towards day to day expenditure.

11 Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Balance with government authorities (Refer Note (a) below)	10,911	7,511
Prepayments	707	330
Contract assets (Refer note 31)	339	264
Other assets	8	-
Advance to suppliers	1,019	916
Less : Allowance towards advance to supplier	-	(131)
	12,984	8,891

Note:
(a) Balance with government authorities represents current and non-current GST credits of Rs.13,255 lakhs (Previous year: Rs.8,154 lakhs) in respect to GST input credit, transitional credit and deemed credit.
(b) Contract asset represents the amount of goods expected to be received by the Company on account of sales return. Also, refer disclosure made under note 31

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Notes to the consolidated financial statements
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12 Share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of shares	Amount	No of shares	Amount
Authorised share capital				
Equity share of Rs. 2 each with voting rights	49,953,234	999	49,953,234	999
Total authorised share capital	**49,953,234**	**999**	**49,953,234**	**999**
Issued, subscribed and fully paid up equity share capital				
Equity share of Rs. 2 each with voting rights	33,345,841	667	33,270,052	665
Total issued share capital	**33,345,841**	**667**	**33,270,052**	**665**

(i) Rights, preferences and restrictions attached to shares
The Company has only one class of equity shares having a par value of Rs. 2. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Shares reserved for issue under Employee Stock Option Scheme
During the financial year 2017-18, the Company introduced Caratlane Stock Option Plan 2017 ('the Plan'). This Plan supersedes the following stock options and stock option plans:
a. Executive Management Stock Option Scheme 2009
b. CaratLane Trading India Private Limited Stock Option Scheme for Consultants, 2013
c. Senior Management Stock Option Scheme, 2012
As per the plan, Board of Directors grants options to the employees of the Company. The vesting period of the option is one to four years from the date of grant. Options granted under the Scheme can be exercised within a period of six years from the date of vesting. For employees leaving the organization, an option can be exercised within 3 months from the date of resignation.
During the year the Company granted 2,500 options to employee.

A maximum of 714,017 options are issuable under this plan. The movement in options issued are as below:

Particulars	For the year ended 31 March 2023	Weighted average exercise price	For the year ended 31 March 2022	Weighted average exercise price
Options outstanding at the beginning of the year	574,000	174	552,000	150
Options granted during the year	2,500	474	43,000	474
Options forfeited during the year	(9,000)	302	(2,600)	295
Options exercised during the year	(75,789)	79	(18,400)	135
Outstanding at the end of the year	**491,711**	**188**	**574,000**	**174**
Options exercisable at the end of the year	**379,711**	**133**	**424,900**	**106**

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

The key inputs used in Black-Scholes-Merton Model for calculating fair value of options under the scheme as on the date of grant are as follows:
The weighted average remaining contractual life of the options outstanding as of March 31, 2023 and March 31, 2022 under the CaratLane stock Options Plan was 6 years and 7 years respectively
The fair value of the options is estimated on the date of grant using the Black-Scholes-Merton Model with the following assumptions:

Particulars	31 March 2023	31 March 2022
No. of options granted	2,500	43,000
Date of grant	August 1, 2022	July 28, 2021
Vesting period	For 1,375 options immediate vesting and 1,125 graded vesting over 4 years	4 years
Dividend yield (%)	-	-
Volatility rate (%)	33.71%	-
Risk free rate (%)	7.21%	6.05%
Expected life of options (years)	5.5	5.5
Weighted average fair value per share (Rs.)	1,128	609

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12 Share capital (continued)

(ii) Shares reserved for issue under Employee Stock Option Scheme (continued)
The stock price of the Company is arrived using the discounted cashflow. Implied volatility is the unit at which the price of shares of peer listed companies has fluctuated during the past period. The expected time to maturity/ expected life of the options is the period for which the Company expects the options to be alive, which has been taken as 10 years subject to adjustment of time lapses from the date of grant. The risk free rate considered for calculation is based on the yield on Government Securities for 10 years as on the date of valuation.

During the year ended March 31, 2023, the Company recorded employee compensation of Rs 113 lakhs (Previous year : Rs. 165 lakhs) in the consolidated statement of profit and loss towards options granted / forfeited / expired. Refer note 22 for further details.

(iii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount Rs. In lakhs	No. of shares	Amount Rs. In lakhs
Equity shares with voting rights				
At the beginning of the year	33,270,052	665	33,251,652	665
Add: Issue of shares pursuant to options being exercised by employees	75,789	2	18,400	0
At the end of the year	**33,345,841**	**667**	**33,270,052**	**665**

iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% holding	No. of shares held	% holding
Equity shares with voting rights				
Mr. Mithun Padam Sacheti	3,835,327	11.50%	3,835,327	11.53%
Mr. Siddhartha Padam Sacheti	3,700,000	11.10%	3,700,000	11.12%
Mr. Padam Sacheti	1,655,000	4.96%	1,655,000	4.97%
Titan Company Limited (Refer Note 1)	24,036,325	72.08%	24,036,325	72.25%
Total	**33,226,652**	**99.64%**	**33,226,652**	**99.87%**

(v) Shareholding of promoters

Promoter name	As at 31 March 2023			As at 31 March 2022		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Titan Company Limited (Refer Note 1)	24,036,325	72.08%	-	24,036,325	72.25%	-
Mr. Mithun Padam Sacheti	3,835,327	11.50%	-	3,835,327	11.53%	-
Mr. Siddhartha Padam Sacheti	3,700,000	11.10%	-	3,700,000	11.12%	-
Mr. Padam Sacheti	1,655,000	4.96%	-	1,655,000	4.97%	-

Note :
1. Includes shares held by directors jointly with Titan Company Limited and Nominee Directors

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13 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Securities premium *(Amounts received on issue of shares in excess of the par value has been classified as securities premium)*	41,141	40,978
Stock options outstanding account *(Shares granted to employee under employee stock option plan)*	864	851
Retained earnings *(Retained earnings comprise of the Company's prior years' losses after tax)*	(23,253)	(31,461)
Foreign currency translation reserve *(Represents reinstatement of foreign currency balances of subsidiary)*	(92)	13
Other comprehensive income *(Represents actuarial gain or loss on remeasurement of net defined benefit liability and effective portions of gains and loss on designated portion of hedging instruments in a cash flow hedge)*	(326)	(244)
	18,334	**10,137**

14 Financial liabilities - Non Current

i. Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost:		
Secured		
Long-term borrowings (Term loan)*	219	876
Less: Current maturities of long-term borrowings	(219)	(657)
	-	**219**

* Secured against the Corporate Guarantee issued by Titan Company Limited at an interest rate of 0.5% per annum

The effective interest rate of the term loan was 7.02% per annum and is payable over 48 equal monthly installments beginning from 1 June 2019. Current revised rate as per the bank is 7.9% from March 2023. A repayment of Rs.219 lakhs of the principal amount was made during the year.

ii. Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities [refer note 28] - Non Current	23,099	10,293
	23,099	**10,293**

iii. Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Rental deposit	362	312
	362	**312**

15 Other non-current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred rental deposit [refer note 28]	87	108
	87	**108**

15.1 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity [Refer note 29] - Long Term	693	499
Provision for compensated absences [Refer note 29] - Long Term	-	175
	693	**674**

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16 Financial liabilities

i. Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Bank overdraft and cash credit [refer note 1 below]	33,238	2,632
Current maturities of long term borrowings*	219	657
Unsecured		
Bank overdraft and cash credit (Unsecured)	1,993	-
Commercial paper [refer note 32]	21,262	14,865
	56,712	**18,154**

Notes :
* Refer Note 15(i)
1. Secured against the Company's inventory, receivables and movable fixed assets on pari-passu basis. The interest rate on the overdraft varies from 4.3% to 8.6% per annum and is payable at monthly intervals. The overdraft is payable on demand.
2 'The Company has filed statements as at the quarter end with the banks which are in agreement with the books of accounts as at respective quarter ends.

ii. Gold on loan

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Payable to banks*	20,931	23,643
	20,931	**23,643**

*Secured against inventory and receivables. Includes amounts payable against gold purchased from various banks under gold on loan scheme. The interest rate of the gold on loan varies from 2.25% to 2.6% per annum as at 31 March 2023 and is payable at monthly intervals. The credit period under the aforesaid arrangement is 180 days from the date of the delivery of gold.

iii. Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities [refer note 28] - Current	3,363	1,849
	3,363	**1,849**

iv. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables		
Outstanding dues of micro and small enterprises [Refer note (a) below]	3,466	3,970
Outstanding dues of creditors other than micro and small enterprises		
- Creditors for goods	8,087	8,689
- Creditors for services	8,002	4,614
	19,555	**17,273**

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(a) Ageing of Trade Payables :

As at 31 March 2023:

Particulars	Outstanding for following periods from due date of payment	
	Less than 1 year #	More than 1 year*
(i) MSME	3,462	4
(ii) Others	15,957	132
(iii) Disputed dues – MSME	-	-
(iv) Disputed dues – Others	-	-
	19,419	136

includes amount not due
* The outstanding amount for more than a year to 2 year amounts to Rs. 4 lakhs for MSME and Rs.116 lakhs for others, More than 2 year to 3 years amounts to Rs. Nil for MSME and Rs. 16 Lakhs for others and for more than 3 years amounts to Rs. Nil for MSME and Rs. Nil for others.

As at 31 March 2022:

	Outstanding for following periods from due date of payment	
	Less than 1 year #	More than 1 year*
(i) MSME	3,961	9
(ii) Others	13,242	61
(iii) Disputed dues – MSME	-	-
(iv) Disputed dues – Others	-	-
	17,203	70

includes amount not due
* The outstanding amount for more than a year to 2 year amounts to Rs. 9 lakhs for MSME and Rs. 32 lakhs for others, More than 2 year to 3 years amounts to Rs. Nil for MSME and Rs. 11 Lakhs for others and for more than 3 years amounts to Rs. Nil for MSME and Rs. 18 Lakhs for others.

(b) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:
There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2023. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

Particulars	As at 31 March 2023	As at 31 March 2022
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
- Principal	3,466	3,970
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	3,466	3,970

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

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v. Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Capital creditors	217	221
Employee payables	1,472	953
	1,689	**1,174**

17 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred rental deposit	22	27
Statutory dues	624	350
Contract liability (Refer note 31)	512	382
Deposit from franchisee	40	45
Advance from customers	5,726	3,495
	6,924	**4,300**

18 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (Refer note 29)	181	130
Provision for compensated absences (Refer note 29)	389	118
Provision for Income Tax	2	-
Provision for warranty	192	105
	764	**353**

Note a: Provision for warranty
Movement below is for provision of warranty during the year:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	105	60
Provisions made during the year	158	93
Utilsations / reversed during the year	(71)	(48)
Provision at the end of the year	**192**	**105**

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19 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Export	275	3,749
Domestic	216,606	121,812
Sale of products	**216,881**	**125,561**
Other operating revenue	-	2
	216,881	**125,563**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contracted price	255,355	148,553
Reduction towards variable consideration	38,474	22,992
Revenue recognised	**216,881**	**125,561**

The reduction towards variable consideration comprises of scheme discounts, incentives etc.

20 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Franchisee signining fees	360	95
Deferred rental income	131	69
Rent deposit equalization	55	9
Interest income on financial assets carried at amortised cost (Refer Note 28)	553	566
Profit on sale of property, plant and equipment (Net)	38	14
Net gain on sale of current investments	3	33
Miscellaneous income	768	113
	1,908	**899**

21 (a) Cost of material consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories of raw materials at the beginning of the year	12,483	5,047
Add: Purchases	160,704	100,933
Less: Inventories of raw materials at the end of the year	(12,545)	(12,483)
	160,642	**93,498**

21 (b) Purchases of stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchases of traded goods	16,593	12,132
	16,593	**12,132**

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(All amounts in INR lakhs, unless otherwise stated)

21 (c) Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Finished goods		
- Closing stock	61,835	32,649
- Opening stock	32,649	14,147
	29,186	**18,502**
Work-in-progress		
- Closing stock	1,289	1,078
- Opening stock	1,078	486
	211	**592**
Stock-in-trade		
- Closing stock	15,116	7,730
- Opening stock	7,730	5,773
	7,386	**1,957**
Increase in inventory	**(36,783)**	**(21,050)**

22 Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	11,911	8,013
Contribution to provident and other funds (Refer Note 29)	328	231
Staff welfare expense	1,191	554
Employee share based payment expense (Refer Note 12)	113	165
	13,543	**8,963**

23 Finance cost

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on borrowings	3,004	1,093
Interest on lease liabilities	1,640	984
Others	17	7
	4,661	**2,084**

24 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (Refer Note 5(i))	1,180	674
Depreciation of right of use asset (Refer Note 5)	2,570	1,453
Amortisation of intangible assets (Refer Note 5(ii))	811	537
	4,561	**2,664**

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25 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Advertising	17,154	9,789
Agent commission	13,736	7,583
Rent (Refer note 28)	506	122
Freight and forwarding	2,047	1,598
Travelling and conveyance	824	311
Professional service charges	3,641	1,518
Bank charges	809	669
Software expenditure	1,571	914
Allowance for doubtful advances	-	1
Bad debts written off (net of provision)	-	26
Power and fuel	365	183
Communication expenses	118	104
Rates and taxes	216	65
Director sitting fee (Refer note 27)	29	33
Repairs and maintenance	774	422
Payments to auditors (Refer note below)	79	47
Provision for Corporate Social Responsibility (Refer Note 25.1)	18	-
Property, plant and equipment written off	96	33
Intangible assets wrtitten off	20	-
Stores and consumables	264	168
Royalty (Refer note 27)	322	191
Miscellaneous expenses	1,048	522
	43,637	**24,299**

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CaratLane Trading Private Limited
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Notes :

25.1 Corporate Social Responsibility:

(i) Gross amount required to be spent towards corporate social responsibility by the Company during the year: Rs. 17 Lakhs

(ii) Amount spent during the year on:

Particulars	For the year ended 31 March 2023	31 March 2022
1. Amount required to be spent by the company during the year	17	-
2. Amount of expenditure incurred on:		-
-Construction/acquisition of any asset		-
- On purposes other than above	18	-
3. Excess/(Shortfall) at the end of the year	1	-
4. Total of previous years shortfall	-	-
5. Reason for short fall	-	-
6. Nature of CSR Activities	Health, Education, Skill development, Disaster relief, Wellness and Water, Sanitation and Hygiene, Entrepreneurship	Not Applicable

(iii) CSR Contribution to Related parties

Particulars	31 March 2023	31 March 2022
Related Parties	-	-
Unrelated parties	18	-

25.2 Payment to auditors

Particulars	For the year ended 31 March 2023	31 March 2022
For statutory audit	28	30
For tax audit	2	2
For limited review	48	14
Reimbursement of out-of-pocket expenses	1	1
	79	47

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(All amounts in INR lakhs, unless otherwise stated)

26 Earnings per share

Reconciliation of basic and diluted shares used in computing per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Basic and diluted profit per share		
Profit after tax	8,208	8,928
Number of weighted average shares considered for calculation of basics earning per share	**33,296,665**	**33,260,005**
Add : Dilutive effect of stock options	213,096	225,978
Number of weighted average shares considered for calculation of diluted earning per share	**33,509,761**	**33,485,984**
Earning per share		
Nominal value of share (in INR)	2	2
Earnings per share - Basic (in INR)	24.65	26.85
Earnings per share - Diluted (in INR)	24.49	26.67

27 Related party disclosures

a) Holding company : Titan Company Limited

b) Enterprises in which Key Management Personnel or relative of Key Management Personnel has significant influence
- Not A Box, Partnership Firm
- Freshworks Inc.
- Microgo, LLP
- Luxury Online Retail Private Limited
- Jaipur Gems and Handicrafts Private Limited
- Starfire Gems Private Limited
- M/s Yashrey
- Titan Commodity Trading Limited

c) Key management personnel :
- Mr. Mithun Padam Sacheti, Managing Director
- Mr. Bhaskar Bhat, Non-executive Director
- Mr. Ashok Kumar Sonthalia (w.e.f. 26 April 2021)
- Mr. C K Venkataraman, Non-executive Director (w.e.f 22 December 2022)
- Mr. Subramaniam Somasundaram, Non-executive Director (Resigned w.e.f 27 April 2021)
- Mr. Haresh Ram Chawla, Independent Director (w.e.f 10 July 2021)
- Mr. Sandeep Anant Kulhalli, Non-executive Director (Resigned w.e.f 9 November 2022)
- Mr. Ajoy Hiro Chawla, Non-executive Director
- Mr. Mathrubootham Rathnagirish, Independent Director (Resigned w.e.f 27 April 2021)
- Ms. Neelam Chhiber, Independent Director
- Mr. Manoj Bhanawat, Chief Financial Officer
- Ms. Ahona Das, Company Secretary
- Mr. Neeraj Rawat, Director

d) Subsidiary : StudioC Inc.

Transactions with the related parties during the year are set out in the table below:

Name of the related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Jaipur Gems and Handicrafts Private Limited	Sale of goods	980	1
	Reimbursement of expenses - Payable	12	7
	Sales of Property, plant & Equipment	-	0
Mithun Padam Sacheti	Director's remuneration	262	182
Manoj Bhanawat	Chief financial officer remuneration	102	76
Ahona Das Gupta	Remuneration	18	13
Neeraj Rawat	Remuneration	11	-
Starfire Gems Private Limited	Purchase of goods	113	398
	Sale of Goods	-	28
	Rent payable	22	25
	Reimbursement of expenses	-	2
Titan Commodity Trading Limited	Commodity Trading Transactions	509	-
	Cash Margin Money	1,386	-
	Interest Income	10	-
	Hedging Cost	4	-
M/s Yashrey	Rent Expense	103	-
	Security Deposit	207	
Freshworks Inc	Services	-	39

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27 Related party disclosures (continued)

Transactions with the related parties during the year are set out in the table below (Contd):

Name of the related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Luxury Online Retail India Private Limited	Reimbursement of expense - payable	-	-
Titan Company Limited	Purchase of goods	89	216
	Royalty expense	322	191
	Bad Debt Write off	-	22
	Other Income	8	-
	Purchase of capex	-	1
	Rent and Miscellaneous Income	34	50
	Reimbursement of Security cost, Encircle and Exgratia	14	-
	Insurance, Salary and Other Expenses	492	296
	Interest on Corporate guarantee	3	6

Transactions with the related parties during the year are set out in the table below:

Name of the related party	Nature of transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Mathrubootham Rathnagirish	Sitting fees	-	1
Neelam Chhiber	Sitting fees	11	12
Haresh R Chawla	Sitting fees	8	6
Bhaskar Bhat	Sitting fees	6	7
Sandeep Anant Kulhalli	Sitting fees	4	6
Neelam Chhiber	Commission to Directors *	-	11
Haresh R Chawla	Commission to Directors *	-	6
Bhaskar Bhat	Commission to Directors *	-	8
Sandeep Anant Kulhalli	Commission to Directors *	-	7
Mathrubootham Rathnagirish	Commission to Directors *	-	1
Microgo LLP	Reimbursement of expenses/services - Receivable	4	4

* excludes provision for commission payable to directors for year ended 31 March 2023 amounting to Rs.50 Lakhs

Balances as on balance sheet date

Name of the related party	Nature of transaction	As at 31 March 2023	As at 31 March 2022
Starfire Gems Private Limited	Trade payable	4	40
	Trade Receivables	-	28
	Security deposit	6	6
Titan Commodity Trading Limited	Margin Money	1,386	-
	Interest receivable	10	-
M/s Yashrey	Security deposit	207	-
Titan Company Limited	Trade payable	2	93
	Royalty Payable	324	172
	Trade receivable	32	5
Microgo LLP *	Trade payable	-	0
	Security deposit	-	0
Not A Box	Reimbursement of expenses/services - Receivable	-	6

* Represent amount less than 1 lakh

Notes:
a) The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by the auditors.
b) The above figures do not include provisions for encashable leave, gratuity and pension, as separate actuarial valuation are not available.

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28 Leases

28.1 Amounts recognised in balance sheet

Particulars	Note	As at 31 March 2023	As at 31 March 2022
(i) Right-of-use assets	5		
Buildings		20,153	7,417
(ii) Lease liabilities			
Non-current	14(ii)	23,099	10,293
Current	16(iii)	3,363	1,849
		26,462	12,142
(iii) Lease receivables			
Non-current	6(ii)	4,698	3,482
Current	10(vi)	649	625
		5,347	4,107

28.2 Amounts recognised in the statement of profit and loss

Particulars	Note	As at 31 March 2023	As at 31 March 2022
(i) Depreciation and amortisation expense	24	2,570	1,453
(ii) Interest expense (included in finance cost)	23	1,640	984
(iii) Interest income on sub-lease (included in other income)	20	553	566
(iv) Expense relating to short-term leases	25	183	427
(v) Expense relating to variable lease payments	25	17	12
(vi) Rent concessions	25	-	(317)

(a) Short-term lease has been accounted for applying paragraph 6 of Ind AS 116 - lease and accordingly recognized as expenses in the consolidated statement of profit and loss.
(b) The total cash outflow for the year ended March 31, 2023 amounts to Rs. 3,005 lakhs (Previous Year : Rs. 3,014 Lakhs)

29 Employee benefit obligations

a) Defined contribution plan
The contributions recognized in the consolidated statement of profit and loss during the year are as under:

Particulars	As at 31 March 2023	As at 31 March 2022
Employee provident fund (Including Admin Charges)	320	220
Employee state insurance	7	11

b) Defined benefit plan - Gratuity (non-funded)
Under the defined benefit plan, the company provides for a lumpsum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the company.

The plan typically exposes the company to actuarial risk such as interest risk and salary risk.

Interest risk	A movement in the bond interest rate will impact the plan liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants, as such an increase in the salary of the plan participants and vice-versa.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate (p.a.)	7.30%	6.00%
Salary escalation rate (p.a.)		
- Corporate	10.78%	10.60%
- Non-corporate	9.76%	8.56%
- Manufacturing	9.35%	6.97%
Attrition rate		
- Corporate	26.67%	26.60%
- Non-corporate	24.00%	25.12%
- Manufacturing	6.67%	8.28%

- The employees of the Company are assumed to retire at the age of 58 years.
- The mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2012-14) Ult table.

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29 **Employee benefit obligations (continued)**

Sensitivity analysis

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	For the year ended 31 March 2023	
	Discount rate	Escalation rate
Defined benefit obligation when a plus 50 bps for respective rates is applied	854	893
Defined benefit obligation when a minus 50 bps for respective rates is applied	896	857

Particulars	For the year ended 31 March 2022	
	Discount rate	Escalation rate
Defined benefit obligation when a plus 50 bps for respective rates is applied	614	642
Defined benefit obligation when a minus 50 bps for respective rates is applied	644	616

Maturity profile	As at 31 March 2023	As at 31 March 2022
Expected benefits for year 1	181	130
Expected benefits for year 2	161	114
Expected benefits for year 3	139	101
Expected benefits for year 4	127	86
Expected benefits for year 5	109	74
Expected benefits in next 5 years	637	371

Components of defined benefit costs recognised in the consolidated statement of profit and loss are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Current service cost	140	90
Past service cost	-	-
Interest on net defined benefit liability	34	19
Total expense charged to the consolidated statement of profit and loss	174	110

Components of defined benefit costs recognised in other comprehensive income are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Remeasurements during the year	107	157

The service cost and the net interest expense for the year are included in the 'Salaries, wages and bonus' line item in the consolidated statement of profit and loss. The remeasurement of the net defined liability is included in other comprehensive income. The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening defined benefit liability	629	410
Expense charged to consolidated statement of profit and loss	174	110
Amount recognised outside the consolidated statement of profit and loss account	107	157
Employer contributions	(36)	(48)
Closing defined benefit liability	874	629

c) Compensated absences

This provision covers the Company's liability for earned leave.

Provision as at March 31, 2023 amounting to Rs. 130 lakhs (2022: Rs. 118 lakhs) is presented as current, since the Company based on past experience does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Similar assumptions have been made as per the defined benefit plan.

The service cost and the net interest expense for the year are included in the 'Salaries, wages and bonus' line item in the statement of profit and loss. The remeasurement of the net liability is included in other comprehensive income. The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its compensated absences is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Compensated absences		
Non-current	-	175
Current	389	118
	389	293

30 **Segment reporting**

The Chief Operating Decision Maker ('CODM') evaluates the Company's performance and allocates resources based on analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes. The operating segment has been identified to be "Jewellery" as the CODM reviews business performance at an overall Company level as one segment.

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31 Contract asset and liability

Contract asset represents the amount of goods expected to be received by the Company on account of sales return. Thus, it represents the value of sales the Company estimates to be returned on account of sales return.

Nature	As at 31 March 2023	As at 31 March 2022
Contract liability		
Opening balance	382	274
Less: Provision reversed towards sales returns	(382)	(274)
Add: Provision towards sales return created	512	382
Closing balance	**512**	**382**
Contract assets		
Opening balance	264	197
Less: Provision reversed towards sales returns	(264)	(197)
Add: Provision towards sales return created	339	264
Closing balance	**339**	**264**

32 Commercial paper

The following tables set forth, for the period indicated, details of commercial paper:

March 31, 2023

Maturities	0-1 Month	2-3 Months	4-6 Months
Face value	-	21,500	-
Carrying value	-	21,262	-

The following tables set forth, ratings assigned by credit rating agency at March 31, 2023

Instrument	ICRA	CRISIL
Commercial paper	ICRA [A1+]	CRISIL AA/ Positive

33 Contingent liabilities and commitments

(a)

Particulars	As at 31 March 2023	As at 31 March 2022
- Guarantees excluding financial guarantees	-	-
- Claims against the Company not acknowledged as debts:		
Sales tax matters	677	102
- Other money for which the Company is contingently liable	-	-

Out of the above claim of Rs. 677 lakhs, the contention of the Company to the department was that it had paid Rs. 615 lakhs by way of not transitioning to the GST regime, which again was mentioned by the principal commissioner in his demand order. It is on the ground of non submission of back up documents, the above demand was raised. Further, the Company had taken certification from a Chartered Accountant on such non-transitioning of CENVAT credit to GST regime.

The above amounts are based on the notice of demand or the Assessment Orders or notification by the relevant authorities, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

(b) The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act,1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Company has made a provision for provident fund contribution based on it's interpretation of the said judgment. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

(c) During the previous year, the Company received Show Cause Notice ('SCN') dated 28 March 2022, from the office of the Directorate of Enforcement, Government of India ('DOE') alleging that the Company received Foreign Direct Investment ('FDI') during the year(s) 2011 to 2014 in lieu of issue of shares to overseas investor, which was utilised in Single Brand Retail Trading activities without prior approval from the RBI. The show-cause notice pertained to an alleged violation of FEMA Rules as Foreign Direct Investment in single-brand retail was not permitted under automatic route in above stated periods.

The Company, based upon the management briefing, approached a former Chief Justice of India who had opined that CaratLane was not in violation of the FEMA rules as at the relevant period, it was only engaged in B2B sales and was not in retail trade. Furthermore, during the year, the Company filed detailed reply to the DOE with clarification vide their letter dated October 28, 2022. Thereafter the Company also preferred a Writ Petition bearing No. 30893 of 2022 ("Writ Petition"), filed before the Hon'ble High Court of Judicature at Madras ('Hon'ble Court'), challenging the SCN and proceedings before DOE. The same was heard by the Hon'ble Court on November 21, 2022, and DOE was directed to file a counter-affidavit as its response, within 4 weeks. However, as on date, no response has been filed by DOE and the time period for filing the same has also lapsed. Thelisting of the matter for hearing before Hon'ble Court has not been notified till date.

Based on the legal opinion received and its assessment of transactions and provisions of FEMA Rules for the years under consideration, the Management considered that no provision is required to be carried in the financial statements for the year ended 31 March 2023 in relation to the above matter. The Management would evaluate this position in subsequent years, based on outcome of proceedings before the Hon'ble Court and DOE.

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(All amounts in INR lakhs, unless otherwise stated)

34 **Financial instruments**

34.1 **Categories of financial instruments**

Financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
a. Measured at amortised cost		
- Loans to employees (Refer note 10(v))	523	198
- Security and other deposits (Refer note 6(iii) and note 10(vi))	2,263	1,264
- Trade receivables (Refer note 10(ii))	1,317	1,057
- Cash and cash equivalents (Refer note 10(iii))	681	592
- Other bank balances (Refer note 10(iv))	178	178
- Lease receivables (Refer note 6(iii) and note 10(vi))	5,347	4,107
- Other financial assets (Refer note 6(ii) and note 10(vi))	3,209	590
Total financial assets measured at amortised cost	**13,518**	**7,987**
Total financial assets	**13,518**	**7,987**

Financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
a. Measured at fair value through profit or loss ("FVTPL")		
- Gold on loan	20,931	23,643
Total financial liabilities measured at FVTPL (a)	**20,931**	**23,643**
a. Measured at amortised cost		
- Borrowings	56,712	18,373
- Rental deposits	362	312
- Trade payables	19,555	17,273
- Lease liabilities	26,462	12,142
- Other financial liabilities	1,689	1,174
Total financial liabilities measured at amortised cost (b)	**104,780**	**49,274**
Total financial liabilities (a + b)	**125,711**	**72,917**

34.2 **(i) Fair value hierarchy**

This note explains about basis for determination of fair values of various financial assets and liabilities:

Particulars	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - March 31, 2023				
Financial liabilities				
- Gold loan	20,931	-	-	20,931
Total financial assets	**20,931**	**-**	**-**	**20,931**

Particulars	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - March 31, 2022				
- Gold loan	23,643	-	-	23,643
Total financial assets	**23,643**	**-**	**-**	**23,643**

Level 1. Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds. The fair value of all equity instruments that are traded in the stock exchanges is valued using the closing price at the reporting period. The mutual funds are valued using the closing net asset value

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case of unlisted instruments, deposits, employee loans etc.

(ii) Valuation technique used to determine fair value

Specific value techniques used to value financial instruments include:
- the use of quoted market prices for listed instruments.
- the fair value of remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying values of financial assets and liabilities approximate the fair values.

(All amounts in INR lakhs, unless otherwise stated)

Financial Instruments (continued)

34.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company deals majorly with creditworthy counterparties and obtains sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. Credit risk arises principally from the Company's receivables from customers. Credit risk on liquid funds is limited because the counterparties are banks. Refer note 10(ii) for the disclosures for trade receivables

34.4 Liquidity risk

The Company invests its surplus funds from time-to-time in various short-term instruments. Security of funds and liquidity shall be the primary consideration while deciding on the type of investments. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Liquidity risk tables

The following table below analyses the Company's financial liabilities into relevant maturity groupings based on their maturities for all non-derivative financial liabilities that are net settled.
The tables have been drawn on an undiscounted basis based on the earliest date on which the Company can be required to pay

Particulars	As at 31 March 2023	As at 31 March 2022
Secured bank overdraft/term loan facility, payable		
- amount used	35,450	3,508
- amount unused	8,194	4,992
Secured gold on loan facility, payable		
- amount used	20,931	23,643
- amount unused	36,644	10,357

Liquidity and interest risk tables

The following tables details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn on an undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Contractual maturities of financial liabilities	Less than 3 months	> 3 months	Total
As at 31 March 2023			
Non-derivative			
- Security deposits	19	343	362
- Borrowings	56,711	0	56,712
- Trade payables	18,643	912	19,555
- Gold loan	12,601	8,330	20,931
- Lease liabilities	815	25,647	26,462
- Other financial liabilities	1,687	2	1,689
Total non-derivative liabilities	90,475	35,235	125,711

Contractual maturities of financial liabilities	Less than 3 months	> 3 months	Total
As at 31 March 2022			
Non-derivative			
- Security deposits	20	292	312
- Borrowings	17,730	643	18,373
- Trade payables	16,681	592	17,273
- Gold loan	8,384	15,259	23,643
- Lease liabilities	1,387	10,755	12,142
- Other financial liabilities	221	953	1,174
Total non-derivative liabilities	44,423	28,494	72,917

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Financial instruments (continued)

34.5 Market risk

The market risks to which The Group is exposed are price risk and foreign currency risk

Price risk

The Group is exposed to fluctuations in gold price (including fluctuations in foreign currency) arising on purchase/ sale of gold.

To manage the variability in cash flows, The Group enters into derivative financial instruments to manage the risk associated with gold price fluctuations relating to all the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts and forward foreign exchange contracts. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at any time during the tenor of the loan.

The use of such derivative financial instruments is governed by The Group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with The Group's risk management strategy

As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

The following table gives details of contracts as at the end of the reporting period:

Particulars	Nature of Hedge	Average rate (Per gram)	Quantity of hedge Instruments	Nominal amount
31 March 2023	Fair Value	5,829	355	20,692
31 March 2022	Fair Value	5,173	11	569

Cash flow hedge

The Group assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that The Group actually uses. However, this hedge ratio will be rebalanced, when required (i.e., when the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting), by adjusting weightings of the hedged item and the hedging instrument.

Sources of hedge ineffectiveness include mismatch in the weightings of the hedged item and the hedging instrument and the selling rate.

The line item in the consolidated balance sheet that include the above hedging instruments are other financial assets and other financial liabilities.

As at March 31, 2023 and March 31, 2022 the aggregate amount of gains under forward/future contracts is recognised in "Other Comprehensive Income" and accumulated in the cash flow hedging reserve. Details of movements in hedging reserve is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at beginning of the year (net of taxes)	-	2
Changes in fair value of effective portion of cash flow hedges	-	-
Cumulative gain/(loss) arising on changes in fair value of cash flow hedges reclassified to consolidated statement of profit and loss	-	(2)
Balance at end of the year (net of taxes)	-	-

Fair value hedge

The Group designates derivative contracts as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in gold prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. Therefore, there will be no impact of the fluctuation in the price of the gold on the Group's profit for the period.

The table below shows the position of hedging instruments and hedged items as on the balance sheet date:

As at March 31, 2023	Carrying value of		Maturity date	Impact of fair value hedge	Disclosure in balance sheet
Commodity price risk	Hedged item	Hedging instrument			
Hedged item - fixed gold	20,692	-	2 months	20,692	Inventories

As at March 31, 2022	Carrying value of		Maturity date	Impact of fair value hedge	Disclosure in balance sheet
Commodity price risk	Hedged item	Hedging instrument			
Hedged item - fixed gold	571	-		2	Inventories
Hedging instrument - derivatives	-	2	2 months	(2)	Other financial assets/ other liabilities

Foreign currency risk management

The Group is exposed to foreign exchange risk arising through its sales and purchases denominated in various foreign currencies.

(i) The risk management strategy on foreign currency exchange fluctuation arising on account of purchase/ sale of gold is covered above.

(ii) In respect of normal purchase and sale transactions denominated in foreign currency, contracts are measured at fair value through the consolidated statement of profit and loss

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows:

Currency	Liabilities as at 31 March 2023	Liabilities as at 31 March 2022	Assets as at 31 March 2023	Assets as at 31 March 2022
INR	569	161	32	*

*Represent amount less than 1 lac

Foreign currency sensitivity analysis

The Group is mainly exposed to USD. The Group's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies is presented below. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. There is an increase in profit or equity by Rs 18 lakhs where the INR strengthens 1% against the relevant currency. For a 1% weakening of the INR against the relevant currency, there would be a comparable decrease in profit or equity

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year

35 Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 1,048 lakhs (Previous year: Rs. 155 lakhs)

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(All amounts in INR lakhs, unless otherwise stated)

36 The Group has incorporated a subsidiary namely StudioC Inc on 11 February 2021. In the current financial year Caratlane made an investment of $ 1,50,000 in StudioC
The subsidiary company which is included in consolidation and the Company's holdings therein is as under

Name of the subsidiary	Country of incorporation	Holding % 31 March 23	Holding % 31 March 23	Holding % 31 March 22	Holding % 31 March 22
StudioC Inc	United States	100%	100%	100%	100%

Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:
Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the 2013 Act.

Name of the Entity	As at March 31, 2023				As at March 31, 2022			
	Net assets, i.e., total assets minus total liabilities		Consolidated profit		Net assets, i.e., total assets minus total liabilities		Consolidated profit	
	As a % of consolidated net assets	Amount	As a % of consolidated profit	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit	Amount
Parent : CaratLane Trading Private Limited	116%	22,061	125%	10,229	108%	11,732	111%	9,873
Subsidiary StudioC Inc	-15%	(2,797)	-24%	(2,001)	-6%	(691)	-9%	(791)
Adjustment arising out of consolidation	-1%	(262)	0%	(21)	-2%	(239)	-2%	(153)
	100%	**19,002**	**100%**	**8,208**	**100%**	**10,802**	**100%**	**8,929**

Name of the Entity	As at March 31, 2023				As at March 31, 2022			
	Share in other comprehensive income		Total comprehensive income		Share in other comprehensive income		Total comprehensive income	
	As % of consolidated other comprehensive income	Amount	As % of total other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount	As % of total other comprehensive income	Amount
Parent : CaratLane Trading Private Limited	43%	(80)	127%	10,149	100%	(102)	111%	9,758
Subsidiary StudioC Inc	57%	(105)	-26%	(2,106)	-	-	-9%	(791)
Adjustment arising out of consolidation	0%	-	0%	(21)	-	-	-2%	(140)
	100%	**(185)**	**100%**	**8,023**	**100%**	**(102)**	**100%**	**8,827**

37 **Other statutory information :**

(i) The Group does not have any Benami property or any proceeding which is pending against the Group for holding any Benami property
(ii) The Group do not have any transactions with companies struck off.
(iii) The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period
(iv) The Group has not traded or invested in crypto currency or virtual currency during the financial year
(v) The Group is not classified as willful defaulter
(vi) The Group doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey
(vii) 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 Group to or in any other person(s) or entity(is), 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
(viii) No funds have been received by the Group from any person(s) or entity(is), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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

38 **Capital management**

The Group's policy to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Group monitors the return on capital, as well as level of dividends to equity shareholders. The Group aims to manage its capital efficiency so as to safeguard it ability to continue as a going concern and to optimize returns to all its shareholders. For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves and debt is included as a part of borrowings and gold loan.

Particulars	As at 31 March 2023	As at 31 March 2022
Total debt *	56,712	18,373
Total equity	19,002	10,802
Debt to equity ratio	298%	170%

* Total debt includes only borrowings. Gold on loan and lease liabilities has not been considered for the purpose of above.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W / W-100022

Arjun Ramesh
Partner
Membership No. 218495
Place: Bengaluru
Date: April 28, 2023

for and on behalf of the Board of Directors of
CaratLane Trading Private Limited
(CIN: U52393TN2007PTC064830)

Mithun Padam Sacheti
Managing Director
DIN: 01683592
Place: Bengaluru
Date: April 28, 2023

Ashok Kumar Santhalia
Director
DIN: 03259683
Place: Bengaluru
Date: April 28, 2023

Manoj Bhansawat
Chief Financial Officer
Place: Bengaluru
Date: April 28, 2023

Ahona Das Gupta
Company Secretary
Place: Bengaluru
Date: April 28, 2023

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