CARAT LANE TRADING PRIVATE LIMITED

Financial Statement for the year ended 31st March 2019

B S R & Co. LLP
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Carat Lane Trading Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Carat Lane Trading Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2019, and loss 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 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 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.

Responsibility of Management for 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 financial statements that give a true and fair view of the state of affairs, profit/loss 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

Responsibility of Management for Financial Statements (continued)

preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statement (continued)

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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.

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

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

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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".

Report on Other Legal and Regulatory Requirements (Continued)

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

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

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

iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Supreet Sachdev
Partner
Membership number: 205385

Place: Bengaluru
Date: 30 April 2019

Independent Auditor's Report (continued)

To the Members of Carat Lane Trading Private Limited

Annexure A to the Independent Auditor's report

In respect of the Annexure A referred to in paragraph 1 of our report to the Members of Carat Lane Trading Private Limited ('the Company') for the year ended March 31, 2019, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of various fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which its fixed assets are verified over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) 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 immovable properties held in the name of the Company.

(ii) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, the provisions of clause 3(iv) are not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the products manufactured by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Goods and Services tax, duty of Custom, Cess and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, duty of excise and value added tax.

According to the information and explanations given to us and on the basis of our examination of the records, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Goods and Services tax, Cess and other statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Independent Auditors' Report (continued)

To the member of Carat Lane Trading Private Limited

Annexure A to the Independent Auditors' report (continued)

(vii) (b) According to the information and explanations given to us and on the basis of our examination of the records, there are no dues of Income tax, Goods and Services tax, duty of Customs, Cess and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. According to the information and explanation given to us, the Company did not have any outstanding loans or borrowings from government or dues to debenture holders during the year.

(ix) According to the information and explanations given to us and based on examination of the records of the Company, the term loans obtained during the year were applied for the purpose for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion the Company is not a Nidhi company as prescribed under Section 406 of the Act.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of all transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of Section 42 of the Act in respect of private placement of equity shares during the year. Further, according to the information and explanation given to us and based on the examination of the records of the Company, the Company has utilized the funds for the purpose for which they were raised, except for the amount of Rs 4,411 Lakhs which remain unutilized as on 31 March 2019.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with him.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Supreet Sachdev
Partner
Membership number: 205385
Bengaluru
30 April 2019

Annexure B to the Independent Auditors' report on the financial statements of Carat Lane Trading Private Limited for the period ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1A (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 Carat Lane Trading Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the 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 2019, 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 Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, 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 whether 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 such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Auditors' Responsibility (continued)

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial 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

Supreet Sachdev
Partner
Membership number: 205385

Place: Bengaluru
Date: 30 April 2019

CARAT LANE TRADING PRIVATE LIMITED
BALANCE SHEET
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3(i)	1,218	1,254
Capital work-in-progress		-	14
Intangible assets	3(ii)	470	241
Intangible assets under development		230	-
Financial assets			
i. Loans	4 (i)	761	613
ii. Other financial assets	4 (ii)	-	5
Income tax assets	5	103	61
Other non-current assets	6	169	87
Total non-current assets		**2,951**	**2,275**
Current assets			
Inventories	7	16,465	6,626
Financial assets			
i. Investments	8 (i)	-	53
ii. Trade receivables	8 (ii)	1,202	977
iii. Cash and cash equivalents	8 (iii)	4,704	417
iv. Other bank balances	8 (iv)	34	-
v. Other financial assets	8 (v)	55	37
Other current assets	9	2,682	1,532
Total current assets		**25,142**	**9,642**
Total assets		**28,093**	**11,917**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	665	604
Other equity		3,946	(1,431)
Total equity		**4,611**	**(827)**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	12 (i)	3,167	-
ii. Other financial liabilities	12 (ii)	133	126
Provisions	13	379	245
Total non-current liabilities		**3,679**	**371**
Current liabilities			
Financial liabilities			
i. Borrowings	14 (i)	8	5,848
ii. Gold on loan	14 (ii)	6,527	817
iii. Trade payables	14 (iii)		
(a) Total outstanding dues of micro enterprises and small enterprises; and		61	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		10,211	4,595
iv. Other financial liabilities	14 (iv)	840	25
Provisions	15	130	205
Other current liabilities	16	2,026	883
Total current liabilities		**19,803**	**12,373**
Total liabilities		**23,482**	**12,744**
Total equity and liabilities		**28,093**	**11,917**

Significant accounting policies 2
The notes referred to above form an integral part of the Ind AS financial statements

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership No. 205385

Place: Bengaluru
Date: April 30, 2019

for and on behalf of the Board of Directors of
CARAT LANE TRADING PRIVATE LIMITED
(CIN: U52393TN2007PTC064830)

Mithun Padamchand Sacheti
Managing Director
DIN:01683592

Bhaskar Bhat
Director
DIN:00148778

Gopalarethinam B.
Chief Financial Officer

Bharatraj Panchal
Company Secretary

CARAT LANE TRADING PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	17	41,639	29,018
Other income	18	488	232
Total income		**42,127**	**29,250**
Expenses			
Cost of materials consumed		27,934	12,813
Purchase of stock-in-trade		9,810	11,876
(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade	19	(7,996)	(1,282)
Excise duty		-	17
Employee benefits expense	20	4,934	4,500
Finance cost	21	778	166
Depreciation and amortisation expense	3	583	444
Other expenses	22	10,697	9,106
Total expenses		**46,740**	**37,640**
Loss before tax		**(4,613)**	**(8,390)**
Income tax expense		-	-
Loss for the year		**(4,613)**	**(8,390)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability	27	(56)	(18)
Income tax on items that will not be reclassified to profit or loss		-	-
		(56)	**(18)**
Items that will be reclassified subsequently to profit or loss			
Income tax on items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		**(4,669)**	**(8,408)**
Loss per equity share			
Basic and diluted loss per share (INR)	23	(15.27)	(27.80)

Significant accounting policies 2

The notes referred to above form an integral part of the Ind AS financial statements

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership No. 205385

Place: Bengaluru
Date: April 30, 2019

for and on behalf of the Board of Directors of
CARAT LANE TRADING PRIVATE LIMITED
(CIN: U52393TN2007PTC064830)

Mithun Padamchand Sacheti
Managing Director
DIN:01683592

Bhaskar Bhat
Director
DIN:00148778

Gopalarethinam B.
Chief Financial Officer

Bharatraj Panchal
Company Secretary

CARAT LANE TRADING PRIVATE LIMITED
STATEMENT OF CASH FLOWS
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	**(4,613)**	**(8,390)**
Adjustments for:		
Depreciation and amortisation expenses	583	444
Allowance for doubtful trade receivables	67	67
Allowance for doubtful advances	157	-
Interest income	(16)	(50)
Gain on sale of investment (net)	(1)	(19)
Finance Cost	778	-
Loss on sale of property, plant and equipment	24	-
Equity settled share based payment	107	431
Change in operating assets and liabilities		
Increase in long term loans	(147)	(200)
Increase in trade receivables	(292)	(454)
Increase in inventories	(9,839)	(1,601)
Increase in other financial assets and other current assets	(1,443)	(322)
Increase in other bank balances	(34)	-
Decrease in bank deposits	-	2,308
Increase in other financial liabilities	7	126
Increase in provisions	59	146
Increase/(decrease) in gold on loan and trade payables	11,387	(77)
Increase in other current liabilities	1,958	441
Cash used in operating activities before taxes	**(1,258)**	**(7,150)**
Income taxes refund	(42)	16
Net cash used in operating activities	**(1,300)**	**(7,134)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(1,051)	(896)
Proceeds from sale of property, plant and equipment	19	98
Proceeds from sale of investments	54	1,885
Interest received	16	54
Net cash used in investing activities (B)	**(962)**	**1,141**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	10,000	-
Repayment of borrowings	(2,673)	5,848
Interest paid	(778)	-
Net cash from financing activities (C)	**6,549**	**5,848**
Net cash increase in cash and cash equivalents (A+B+C)	4,287	(145)
Cash and cash equivalents as at the beginning of the year (Refer note 8(iii))	417	562
Cash and cash equivalents as at the end of the year (Refer note 8(iii))	**4,704**	**417**

Significant accounting policies 2
The notes referred to above form an integral part of the Ind AS financial statements

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership No. 205385

Place: Bengaluru
Date: April 30, 2019

for and on behalf of the Board of Directors of
CARAT LANE TRADING PRIVATE LIMITED
(CIN: U52393TN2007PTC064830)

Mithun Padamchand Sacheti
Managing Director
DIN:01683592

Bhaskar Bhat
Director
DIN:00148778

Gopalarethinam B.
Chief Financial Officer

Bharatraj Panchal
Company Secretary

CARAT LANE TRADING PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Note	Amount
Balance at the April 1, 2017		604
Changes in equity share capital during 2017-18	10	0
As at March 31, 2018		**604**
Changes in equity share capital during 2018-19	10	61
As at March 31, 2019		**665**

B. Other equity (refer note 11)

Particulars	Reserves and surplus			Other comprehensive income	Total
	Securities premium	Stock options outstanding account	Retained earnings		
Balance as at April 1, 2017	31,018	71	(24,522)	(22)	6,545
Premium on shares issued during the year	22	-	-	-	22
Loss for the year	-	-	(8,389)	-	(8,389)
Employee stock option expense	-	409	-	-	409
Other comprehensive income for the year	-	-	-	(18)	(18)
Total comprehensive income for the year	-	-	-	(18)	(7,976)
Balance as at March 31, 2018	31,040	480	(32,911)	(40)	(1,431)
Balance as at April 1, 2018	31,040	480	(32,911)	(40)	(1,431)
Adjustments	(78)	78	-	-	-
Premium on shares issued during the year	9,939	-	-	-	9,939
Loss for the year	-	-	(4,613)	-	(4,613)
Employee stock option expense	-	107	-	-	107
Other comprehensive income for the year	-	-	-	(56)	(56)
Total comprehensive income for the year	-	-	-	(56)	5,377
Balance as at March 31, 2019	40,901	665	(37,524)	(96)	3,946

Significant accounting policies 2
The notes referred to above form an integral part of the Ind AS financial statements

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership No. 205385

Place: Bengaluru
Date: April 30, 2019

for and on behalf of the Board of Directors of
CARAT LANE TRADING PRIVATE LIMITED
(CIN: U52393TN2007PTC064830)

Mithun Padamchand Sacheti	**Bhaskar Bhat**	**Gopalarethinam B.**	**Bharatraj Panchal**
Managing Director	Director	Chief Financial Officer	Company Secretary
DIN:01683592	DIN:00148778		

BACKGROUND

Carat Lane Trading Private Limited is a company limited by shares, incorporated and domiciled in India. The Company primarily manufactures and trades in jewellery. The Company's operations are primarily based out of Chennai, Mumbai and Delhi.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and presentation

(i) Compliance with Ind AS

The 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').

(ii) Basis of measurement

The 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 demand benefit obligations

(iii) Use of estimates, assumptions and judgement

The preparation of financial statements in conformity with Ind AS requires management to make estimates, assumptions and judgement that affect the reported amount of assets and liabilities, contingent assets and liabilities, revenues and expenses during the reporting period. 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 financial statement is included in the following notes:

- Note 26 – Leases – whether an arrangement contains a lease
- Note 26 – Lease classification (including the expected general inflation rates)

Assumptions and estimation

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending March 31, 2019 is included in the following notes:

- Note 3 – Useful life of the Property, Plant and Equipments;
- Note 3 – Useful life of the Intangible assets;
- Note 29 – Provisions and contingent liabilities
- Notes 13, note 15 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 30 – Fair value measurement of financial instruments.
- Note 27 - Employee benefit obligations

(iv) Functional and presentation currency

Items included in the 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 financial statements are presented in Indian Rupee, which is the Company's functional and presentation currency and is rounded off to the nearlest lakhs except when otherwise indicated.

(v) Measurment 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).

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(v) Measurment of fair values (continued)

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 30 - financial instruments.

(vi) Revenue recognition

Effective April 01, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Ind AS 115 replaces Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. The Company has adopted Ind AS 115 using the cumulative effect method (without the practical expedient), with the effect of initially applying this standard recognised at the date of initial application (i.e. April 01, 2018). Under this transition method, the standard is applied retrospectively only to contracts that are not completed as at the date of initial application, and the comparative information is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of the standard did not have any material impact on the financial statements of the Company.

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.

a) 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. Other contract assets are classified as other assets. 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 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 17 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

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(vii) 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.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the 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.

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 statement of profit and loss when the Property, plant and equipment is derecognized.

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	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
Plant and machinery	15 years	15 years
Vehicles	5 years	8 years
Mock jewellery	1 year	1 year
Leasehold improvements	4 years	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.

(viii) 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.

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(viii) Intangible assets (continued)

(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.

(ix) 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.

(x) Leases

Finance leases

Assets taken on finance lease are capitalized at an amount equal to fair value of the leased assets at the inception of the lease or the present value of the minimum lease payments, whichever is lower. The lease payment is apportioned between finance charge and reduction of outstanding liability, the finance charge being allocated to periods over the lease term so as to produce the constant periodic rate of interest on remaining liability.

Operating leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset are classified as operating leases.
Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. The lease term is the non- cancellable period for which the lessee has agreed to take the asset on lease together with any additional periods for which the lessee has the option to continue the lease, only in case this option is reasonably expected to be exercised at the time of inception of the lease, with or without any further payment.

(xi) 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.

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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(xii) 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 period are recognized in the statement of profit and loss for the year.

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

(xiii) 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 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 is 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.

(xiv) 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 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.

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(xiv) 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 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.

(xv) Share based payment transaction
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-based payment (SBP) reserve 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.

(xvi) 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.

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(xvi) Financial instruments (continued)

(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 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 statement of profit and loss.

Offsetting

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

(xvii) Derivative financial instruments

Fair value hedge

The Company designates 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 and commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are adjusted to the carrying value of the hedged item. 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.

(xviii) 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 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.

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(xix) Cash and cash equivalents

Cash and cash equalients 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.

(xx) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / (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.

(xxi) Loss per share

Basic loss 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 period, 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.

(xxii) Standards issued but not yet effective

The Company has not applied the following new and revised Ind AS that have been issued but are not yet effective:

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019.

Ind AS - 116

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognizes right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognize a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognized at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

With effect from April 01, 2019, the Company will recognize new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease, and recognized assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgment, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect any impact from this amendment.

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CARAT LANE TRADING PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)

3(i) Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	As at March 31, 2019
Tangible assets									
Furniture and fittings	596	89	46	639	149	60	17	192	447
Leasehold improvements *	737	117	70	784	402	180	69	514	270
Computer equipment	343	100	2	441	222	78	-	300	141
Computer server	17	7	-	24	13	2	-	15	9
Mock jewellery	250	-	-	250	250	-	-	250	-
Office equipment	415	48	29	434	230	65	18	277	157
Jewellery machine	195	49	-	244	44	22	-	66	178
Vehicles *	32	16	-	48	21	11	-	32	16
Total (A)	**2,585**	**426**	**147**	**2,864**	**1,331**	**418**	**104**	**1,646**	**1,218**

Particulars	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	As at April 1, 2017	Additions	Deletions	As at March 31, 2018	As at April 1, 2017	Additions	Deletions/ Impairment	As at March 31, 2018	As at March 31, 2018
Tangible assets									
Furniture and fittings	414	223	41	596	103	49	3	149	447
Leasehold improvements	507	261	31	737	258	146	2	402	335
Computer equipment	251	102	10	343	175	50	2	222	121
Computer server	17	-	-	17	11	2	-	13	4
Mock jewellery	247	3	-	250	247	3	-	250	-
Office equipment	323	118	26	415	176	57	4	230	185
Jewellery machine	155	40	-	195	34	11	-	44	151
Vehicles	32	-	-	32	17	4	-	21	11
Total (A)	**1,946**	**747**	**108**	**2,585**	**1,021**	**322**	**11**	**1,331**	**1,254**

* Estimates with respect to leasehold improvements and vehicles were revised during the year. The overall impact on account of these changes resulted in additional depreciation of 84 lakhs.

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CARAT LANE TRADING PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2019
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3(ii) Intangible assets

Particulars	Gross carrying amount				Accumulated amortization				Carrying amount (net)
	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	As at March 31, 2019
Intangible assets									
Computer software	388	395	-	783	175	143	-	318	465
Caratlane portal	253	-	-	253	226	22	-	248	5
Total	**641**	**395**	**-**	**1,036**	**401**	**165**	**-**	**566**	**470**

Particulars	Gross carrying amount				Accumulated amortization				Carrying amount (net)
	As at April 1, 2017	Additions	Deletions	As at March 31, 2018	As at April 1, 2017	Additions	Deletions	As at March 31, 2018	As at March 31, 2018
Intangible assets									
Computer software	142	246	-	388	117	58	-	175	213
Caratlane portal	253	-	-	253	161	64	-	225	28
Total	**395**	**246**	**-**	**641**	**278**	**122**	**-**	**400**	**241**

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CARAT LANE TRADING PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2019
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4 Financial assets

(i) Loans

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Unsecured, considered good		
Security deposits to related parties*	-	6
Security deposits	748	569
Other deposits	13	38
Total long term loans	**761**	**613**

* Forms a part of outstanding balances as disclosed under note 24.

(ii) Other financial assets

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Balances with banks		
In deposit accounts	-	5
Total long term loans	**-**	**5**

5 Income tax asset

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
TDS receivable	103	61
Total income tax assets	**103**	**61**

6 Other non-current asset

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Capital advances	44	87
Deferred rental deposit	125	-
Total other non-current assets	**169**	**87**

7 Inventories

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Raw materials	3,846	2,003
Work-in-progress	66	43
Finished goods	5,564	1,619
Stock-in-trade	6,989	2,961
Total inventories	**16,465**	**6,626**

For the year ended 31st March 2019

(i) The cost of inventories recognised as an expense during the year is INR 29,748 lakhs (previous year: INR 23,407 lakhs).

(ii) The cost of inventories recognised as an expense includes INR 5.61 lakhs (previous year: INR 101 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 7,297 lakhs (previous year: INR 843 lakhs)

(iv) Refer point (xi) under significant accounting policies for mode of valuation.

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

8 Financial assets

(i) Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in mutual funds		
Quoted		
Nil (2017: 1,476) units in HDFC short term fund - growth plan	-	53
Total investments	**-**	**53**

Aggregate carrying amount of quoted investments	-	51
Aggregate market value of quoted investments	-	53

(ii) Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	956	887
Receivables from related parties (refer note 24)	370	147
Less: Allowance for doubtful trade receivables	(124)	(57)
Total trade receivables	**1,202**	**977**

Classification of trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - Unsecured	1,185	925
Trade receivables - credit impaired	141	109
Total trade receivables	**1,326**	**1,034**

(iii) Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	51	28
Balances with banks		
(i) in current accounts	242	359
Deposits with maturity of less than three months	4,411	30
Total cash and cash equivalents	**4,704**	**417**

Note 1: The Company availed credit card services from HDFC bank for which it has given a deposit amounting to Rs. 30 lakhs as lien.

(iv) Other bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Other bank balances (Refer note 1)	34	-
Total other bank balances	**34**	**-**

Note 1: The Company availed credit card services from HDFC bank for which it has given a deposit amounting to Rs. 30 lakhs as lien.

(v) Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Employee Loans (unsecured, considered good)	53	36
Interest accrued on fixed deposits	2	1
Total financial assets	**55**	**37**

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

(All amounts in INR lakhs, unless otherwise stated)

9 Other current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to related parties	40	170
Prepayments	143	76
Balance with Government authorities	1,960	881
Advance to suppliers	262	86
Contract assets	212	
Prepaid rent	47	168
Others	-	113
Other advances	18	38
Total other current assets	**2,682**	**1,532**

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

10 Share capital

Particulars	As at March 31, 2019 No of shares	As at March 31, 2019 Amount (Rs. lakhs)	As at March 31, 2018 No of shares	As at March 31, 2018 Amount (Rs. lakhs)
Authorised share capital				
Equity share of Rs. 2 each with voting rights	49,953,234	999	30,810,889	616
Compulsorily convertible Series A preference shares of Rs. 2 each *	-	-	5,015,000	100
Compulsorily convertible Series B preference shares of Rs. 2 each *	-	-	2,944,137	59
Compulsorily convertible Series C preference shares of Rs. 2 each *	-	-	3,140,413	63
Compulsorily convertible Series D preference shares of Rs. 2 each *	-	-	8,042,795	161
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	33,238,452	665	30,189,672	604
Total issued share capital	**33,238,452**	**665**	**30,189,672**	**604**

* During the current year, authorised compulsorily convertible preference shares were cancelled and authorised equity share capital has been increased.

(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) Share based payments
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 Nil 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 March 31, 2019	For the year ended March 31, 2018
Options outstanding at the beginning of the year	468,000	322,000
Options granted during the year	-	214,000
Options forfeited during the year	5,400	56,600
Options exercised during the year	-	11,400
Outstanding at the end of the year	**462,600**	**468,000**
Options exercisable at the end of the year	**259,180**	**152,500**
Weighted average exercise price per option (Rs.)	**2**	**2**

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, 2019 and March 31, 2018 under the Carat Lane stock Options Plan was 7 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	March 31, 2019	March 31, 2018
No. of options granted	-	214,000
Date of grant	-	1-April-2017
Vesting period	-	1-4 years
Expected life of options (years)	-	7
Expected volatility	-	1.53%
Risk free rate	-	7.68%
Weighted average fair value of options per share (Rs.)	-	185

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CARAT LANE TRADING PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2019
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10 Share capital (continued)

(ii) Share based payments (continued)

The stock price of the Company is arrived using the last round of funding closest to the grant date. Implied volatility is the unit at which the price of shares of peer listed companies has fluctuated during the past period. The expected time to maturity/ expected life of 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, 2019, the Company recorded employee compensation of Rs.108 lakhs (previous year : Rs. 431 lakhs) in the Statement of Profit and Loss towards options granted / forfeited / expired. Refer note 20 for further details.

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	30,189,672	604	30,178,272	604
Add: Issue of shares during the year	3,048,780	61	-	-
Add: ESOP options exercised	-	-	11,400	-
At the end of the year	**33,238,452**	**665**	**30,189,672**	**604**

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares held	% holding	No. of shares held	% holding
Equity shares with voting rights				
Mr. Mithun Padamchand Sacheti	3,835,327	11.54%	3,835,327	12.70%
Mr. Siddhartha Padamchand Sacheti	3,700,000	11.13%	3,700,000	12.26%
Lister Technologies Private Limited	-	0.00%	2,600,000	8.61%
Mr. Padamchand Sacheti	2,600,000	7.82%	-	0.00%
Titan Company Limited	23,091,325	69.47%	20,042,545	66.39%
Total	**33,226,652**	**99.96%**	**30,177,872**	**99.96%**

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

(All amounts in INR lakhs, unless otherwise stated)

11 Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Securities premium *(Amounts received on issue of shares in excess of the par value has been classified as securities premium)*	40,901	31,040
Stock options outstanding account *(Shares granted to employee under Employee Stock Option Plan)*	665	480
Retained earnings *(Retained earnings comprise of the Company's prior years' undistributed earnings after taxes)*	(37,524)	(32,911)
Other comprehensive income *(Represents actuarial gain or loss on remeasurement of net defined benefit liability)*	(96)	(40)
Total other equity	**3,946**	**(1,431)**

12 Non-current financial liabilities

i. Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured term loan	3,167	-
Total borrowings	**3,167**	**-**

* Secured against the Corporate Guarantee issued by Titan Company Limited

The interest rate of the term loan was 8.60% per annum and is payable over 48 equal monthly installments beginning 1 June 2019.

i. Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Franchise's rental deposit	133	126
Total financial liabilities	**133**	**126**

13 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Rent equalisation reserve	114	75
Provision for gratuity (Refer note 27)	183	116
Provision for compensated absences (Refer note 27)	82	54
Total provisions	**379**	**245**

14 Current financial liabilities

i. Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Bank overdraft and cash credit**	8	5,848
Total borrowings	**8**	**5,848**

The interest rate of the term loan was 8.60% per annum and is payable over 48 equal monthly installments beginning 1 June 2019.

** Secured against the Company's inventory, receivables and fixed assets

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

(All amounts in INR lakhs, unless otherwise stated)

ii. Gold on loan

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Payable to banks*	6,527	817
Total gold on loan	**6,527**	**817**

*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 2.20% to 2.82% per annum 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. Trade payable

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables		
Total outstanding dues of micro and small enterprises [Refer note (a) below]	61	-
Total outstanding dues of creditors other than micro and small enterprises		
- Creditors for goods	8,137	2,901
- Creditors for services	2,074	1,694
Total trade payables	**10,272**	**4,595**

(a) 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 2019. 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 March 31, 2019	As at March 31, 2018
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal	1	-
- Interest	1	-
(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.	-	-
	2	-

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.

iv. Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Capital creditors	7	25
Secured		
Current portion of secured term loan*	833	-
Total financial liabilities	**840**	**25**

* Secured against the Corporate Guarantee issued by Titan Company Limited

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

CARAT LANE TRADING PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2019
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15 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Rent equalisation reserve	35	-
Provision for gratuity [refer note 27]	35	26
Provision for sales return	-	139
Provision for compensated absences [refer note 27]	29	22
Others	31	18
Total provisions	**130**	**205**

16 Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred rental deposit	90	-
Statutory dues	259	174
Contract liability	294	-
Advance from customers	1,383	709
Total other current liabilities	**2,026**	**883**

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

CARAT LANE TRADING PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

17 Revenue from operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	41,092	29,018
Other operating revenue	547	-
Total revenue from operations	**41,639**	**29,018**

18 Other income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Miscellaneous income	261	96
Provision no longer required written back	117	-
Franchisee signining fees	42	45
Deferred rental income	39	30
Rent deposit equalization	12	-
Interest income	16	20
Net gain on sale of current investments	1	19
Service charges	-	22
Total other income	**488**	**232**

19 Increase/(decrease) in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Finished goods		
- Closing stock	5,564	1,619
- Opening stock	1,619	1,742
	3,945	**(123)**
Work-in-progress		
- Closing stock	66	43
- Opening stock	43	47
	23	**(4)**
Stock-in-trade		
- Closing stock	6,989	2,961
- Opening stock	2,961	1,552
	4,028	**1,409**
Increase/(decrease) in inventories of finished goods, work-in-progress and stock-in-trade	**7,996**	**1,282**

20 Employee benefits expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	4,347	3,690
Contribution to provident and other funds	241	186
Staff welfare expense	239	193
Employee share based payment expense	107	431
Total employee benefit expense	**4,934**	**4,500**

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CARAT LANE TRADING PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2019
(All amounts in INR lakhs, unless otherwise stated)

21 Finance cost

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Interest on borrowings	778	166
Total finance cost	**778**	**166**

22 Other expenses

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Sales and marketing expense	5,032	4,097
Management agent commission	1,747	491
Rent	1,361	1,071
Freight and forwarding	417	609
Travelling and conveyance	313	250
Legal and professional charges	294	392
Bank charges	273	287
Portal expenditure	254	286
Provision for advances	157	-
Bad debts written off	19	15
Allowance for doubtful trade receivables	67	52
Power and fuel	106	65
Communication expenses	83	123
Rates and taxes	123	874
Business promotion	54	112
Director sitting fee	53	45
Repairs and maintenance	45	106
Insurance	37	33
Payments to auditors (Refer note below)	26	15
Loss on sale of property, plant and equipment	24	1
Miscellaneous expenses	212	182
Total other expenses	**10,697**	**9,106**

Payment to auditors

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
For audit	26	15
Total	**26**	**15**

23 Loss per share

The following table sets forth the computation of basic and diluted loss per share:

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Basic and diluted loss per shares		
Loss after tax	(4,613)	(8,390)
Weighted average number of equity shares (lakhs)	30,206,378	30,179,502
Nominal value of shares (in INR)	2	2
Loss per share - Basic and diluted (in INR)	(15.27)	(27.80)

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

(All amounts in INR lakhs, unless otherwise stated)

24 Related party disclosures

a) Holding company	:	Titan Company Limited
b) Fellow subsidiaries	:	Titan Engineering and Automation Limited Favre Leuba AG (Switzerland) Titan Watch Company Hong Kong Limited (100% subsidiary of Favre Leuba AG)
c) Other related parties	:	Jaipur Gems Starfire Gems Private Limited Label Corp Private Limited (till 20th March 2018) Freshworks Inc. (w.e.f. 20 January 2018)
d) Key management personnel	:	Mr. Mithun Padamchand Sacheti Mr. Bhaskar Bhat (w.e.f 4 August 2016) Mr. CK Venkataraman (w.e.f 4 August 2016) Mr. Subramaniam Somasundaram (w.e.f 4 August 2016) Mr. Mathrubootham Rathnagirish (w.e.f 23 January 2018) Ms. Neelam Chhiber (w.e.f 20 March 2018)
e) Relatives of key management personnel	:	Mrs. Anjali Sacheti Ms. Mira Sacheti Mr. Padamchand Sacheti Mrs. Manju Sacheti Mr. Siddhartha Padamchand Sacheti

Enterprises in which Key Management Personnel or relative of Key Management Personnel has Significant Influence

1 Not A Box, Partnership Firm (w.e.f. 19 July 2018)
2 Ajmer Trading Private Limited
3 Sacheti Sons Trading Private Limited
4 Tata Chemicals Limited
5 Tata Engineering & Automation Limited
6 Innoviti Payment Solutions Private Limited
7 Tata Unistore Limited
8 Ragtagger Lifestyle Private Limited
9 Ponniyin Selvan & Friends
10 Trent Limited
11 Bosch Limited
12 Tata Sons Limited
13 Titan International Middle East FZE
14 Rallis India Limited
15 Montblanc India Retail Private Limited
16 Tata SIA Airlines Limited
17 Dr Agarwal's Health Care Limited
18 Indus Tree Crafts Private Limited
19 Indus Tree Producer Transform Private Limited
20 Narasapur Producer Transform Private Limited
21 Global Natural Fiber Forum
22 Industree Skills Transform Private Limited
23 Action for India Scaling Social Innovation
24 Freshworks Technologies Private Limited
25 Turtleyogi Technologies Private Limited
26 Hydronauts Private Limited
27 CMCA, Bangalore (Public Charitable Trust)
28 Freshworks Inc
29 Yashrey, Partnership Firm
30 Microgo, LLP
31 Luxury Online Retail Private Limited
32 Maa Creations Private Limited

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

(All amounts in INR lakhs, unless otherwise stated)

24 Related party disclosures (continued)

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

Name of the related party	Nature of transaction	Total 2018-19	Total 2017-18
Jaipur Gems	Purchase of goods	-	5
	Sale of goods	25	7
	Reimbursement of expenses - receivable	0	8
	Reimbursement of expenses - payable	3	-
Mithun Padamchand Sacheti	Director's remuneration	167	120
	Sale of goods	4	-
	Purchase of goods	0	-
	Reimbursement of expenses	3	3
Mira Sacheti	Sale of goods	2	-
	Purchase of goods	0	-
Anjali Sacheti	Sale of goods	0	-
Starfire Gems Private Limited	Purchase of goods	375	358
	Sale of goods	46	11
	Labour Charges	10	-
	Purchase of Capex	19	-
	Rent payable	23	19
Freshworks Inc	Services	6	1
Maa Creations Private Limited	NA	-	-
Luxury Online Retail India Private Limited	Purchase of goods	82	-
	Labour Charges	-	20
Titan Company Limited	Issue of equity shares	10,000	-
	Purchase of goods	2,786	2,851
	Sale of goods	2,827	4,261
	Sitting fees	33	42
	Services	519	-
	Reimbursement of expenses/services - Receivable	110	-
	Amount paid towards Deputation of Titan employees	65	14
	Interest Receivable	14	-
	Interest Payable	104	-
	Interest on Corporate guarantee	17	-
Mathrubootham Rathnagirish	Sitting fees	5	-
Neelam Chhiber	Sitting fees	15	-
Not A Box	Reimbursement of expenses/services - Receivable	3	25
Tata Unistore (Tata Cliq)	Commission payable	4	-

Balances as on balance sheet date

Name of the related party	Nature of transaction	Balance as on March 31, 2019	Balance as on March 31, 2018
Jaipur Gems	Receivable	-	-
	Advances received towards material	-	2
	Advances for Rental & Reimbursement	19	16
Mithun Padamchand Sacheti	Payables	0	-
Starfire Gems Private Limited	Receivable	-	2
	Payables	32	25
	Security deposits	-	6
	Advances for expenses Payable	-	2
Label Corp Pvt. Ltd. (related party relationship ended as at 20th March.2018)	Advance towards collaboration services	152	154
Freshworks Inc	Payables	-	-
MAA Creations Private Limited	Receivable	0	0
Luxury Online Retail India Private Limited	Receivable	-	82
Titan Company Limited	Payable	754	653
	Credit Note/Advance	16	-
	Receivable	345	145
	Advances for services	24	3
Not A Box	Expenses Reimbursement	1	-
Tata Unistore (Tata Cliq)	Commission Receivable	3	-

25 The Company has not recognized deferred tax asset in the absence of convincing evidence for set off against future taxable income.

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26 Operating leases

The Company leases office and residential facilities under cancellable and non-cancellable operating lease agreements.

26.1 Payments recongnised as expense

Particulars	As at March 31, 2019	As at March 31, 2018
Minimum lease payments	766	530
Contingent rentals	177	123

26.2 Non-cancellable operating lease commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	408	1,068
Later than one year but not later than five years	977	3,333
Later than five years	331	1,578
Total	**1,716**	**5,979**

The total rental expense under cancellable operating leases amounted to Rs. 943 lacs (previous year: Rs. 740 lacs). The total rental expense under non cancellable operating leases amounted to Rs. 306 lacs (previous year: Rs. 331 lacs) and rent expense as per Ind AS 113 amounting to Rs 112 lacs respectively.

27 Employee benefit obligations

a) Defined contribution plan

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

Particulars	As at March 31, 2019	As at March 31, 2018
Employee provident fund	142	122
Employee state insurance	14	13

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 March 31, 2019	As at March 31, 2018
Discount rate (p.a.)	6.88%	7.13%
Salary escalation rate (p.a.)	10.00%	10.00%
Attrition rate	24.61%	26.97%

- 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 (2006-08) Ult table.

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 March,2019	
	Discount rate	Escalation rate
Defined benefit obligation on plus 50 bps	213	222
Defined benefit obligation on minus 50 bps	222	213

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27 Employee benefit obligations (continued)

	Amount
Maturity profile	
Expected benefits for year 1	29
Expected benefits for year 2	32
Expected benefits for year 3	39
Expected benefits for year 4	35
Expected benefits for year 5	31
Expected benefits in next 5 years	90

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

Particulars	As at March 31, 2019	As at March 31, 2018
Current service cost	41	32
Past service cost	-	13
Interest on net defined benefit liability	10	6
Total expense charged to the statement of profit and loss	**51**	**51**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Remeasurements during the year	29	4

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

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit liability	142	91
Expense charged to statement of profit and loss	51	51
Amount recognised outside the statement of profit and loss account	28	4
Employer contributions	(4)	(4)
Closing defined benefit liability	**217**	**142**

c) Compensated absences

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

Provision as at March 31, 2019 amounting to Rs. 29 lakhs (2018: Rs. 22 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 'Contribution to provident and other funds' 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 balance sheet arising from the entity's obligation in respect of its compensated absences is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit liability	76	60
Expense charged to statement of profit and loss	33	25
Amount recognised outside the statement of profit and loss account	28	14
Employer contributions	(25)	(23)
Closing defined benefit liability	**112**	**76**

28 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 assess 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., Jewelry. The CODM evaluates the Company's performance based on revenue and operating income from the sale of Jewelry. 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.

29 Contingent liabilities

Nature	As at March 31, 2019	As at March 31, 2018
Contingent liability		
Claims against the Company, not acknowledged as debts	1	1

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30 Financial instruments

30.1 Categories of financial instruments

Financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
a. Measured at fair value through profit or loss ('FVTPL')		
- Unquoted investments	-	53
Total financial assets measured at FVTPL (a)	-	53
b. Measured at amortised cost		
- Trade receivables	1,202	977
- Security deposits	761	613
- Cash and cash equivalents	4,704	417
- Other bank balance	34	-
- Loans to employees	53	36
Total financial assets measured at amortised cost (b)	**6,754**	**2,043**
Total financial assets (a + b)	**6,754**	**2,096**

Financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
a. Measured at fair value through profit or loss ('FVTPL')		
- Franchisee deposits	133	126
Total financial liabilites measured at FVTPL (a)	**133**	**126**
a. Measured at amortised cost		
- Borrowings	3,175	5,848
- Trade payables	10,272	4,595
- Gold loan payable	6,527	817
- Other financial liabilities	840	25
Total financial liabilities measured at amortised cost (b)	**20,814**	**11,285**
Total financial liabilities (a + b)	**20,947**	**11,411**

30.2 (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, 2019				
Financial assets	-	-	-	-
Total financial assets				
Financial liabilites	-	-	133	133
- Franchisee deposits	-	-	133	133
Total financial assets				

Particulars	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - March 31, 2018	-	-	53	53
- Other unquoted investments	-	-	53	53
Total financial assets				
Financial liabilites	-	-	126	126
- Franchisee deposits	-	-	126	126
Total financial assets				

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.

(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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30.3 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.

30.4 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	March 31, 2019	March 31, 2018
Secured bank overdraft/term loan facility, payable at call		
- amount used	3,175	5,848
- amount unused	7,375	1,152
Secured Gold on Loan facility, payable		
- amount used	6,527	817
- amount unused	923	1,683

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
March 31, 2019			
Non-derivative			
- Franchisee deposits	-	133	133
- Borrowings	-742	3,917	3,175
- Trade payables	9,961	307	10,268
- Gold loan payable	2,227	4,300	6,527
Total non-derivative liabilities	**11,446**	**8,657**	**20,103**

Contractual maturities of financial liabilities	Less than 3 months	> 3 months	Total
March 31, 2018			
Non-derivative			
- Franchisee deposits	-	126	126
- Borrowings	5,848	-	5,848
- Trade payables	4,431	164	4,595
- Gold loan payable	485	332	817
Total non-derivative liabilities	**10,764**	**622**	**11,386**

30.5 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.

The risk management strategy against gold price fluctuation includes procuring gold on loan basis, with a flexibility to fix price of gold at any time during the tenor of the loan.

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.

(ii) In respect of normal purchase and sale transactions denominated in foreign currency, contracts are measured at fair value through 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:

The following table gives details of contracts as at the end of the reporting period.

Currency	Liabilities as at		Assets as at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
INR	834,970	9,349,686	8,545,202	10,490,112

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 loss or equity by Rs 0.75 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.

31 Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 47 lakhs (Previous year: Rs. 130 lakshs)

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CARAT LANE TRADING PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2019
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32 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 efficiencyso as to safeguard it abilityto 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.

As at	March 31, 2019	March 31, 2018
Total debt *	3,175	5,848
Total equity	4,611	(827)
Debt to equity ratio	69%	-707%

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

33 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2019.

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership No. 205385

Place: Bengaluru
Date: April 30, 2019

for and on behalf of the Board of Directors of
CARAT LANE TRADING PRIVATE LIMITED
(CIN: U52393TN2007PTC064830)

Mithun Padamchand Sacheti
Managing Director
DIN:01683592

Bhaskar Bhat
Director
DIN:00148778

Gopalarethinam B.
Chief Financial Officer

Bharatraj Panchal
Company Secretary