CARATLANE TRADING PRIVATE LIMITED

STANDALONE BALANCE SHEET
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4(i)	2,007	1,660
Right-of-use asset	5	4,487	4,343
Intangible assets	4(ii)	697	670
Intangible assets under development		514	352
Financial assets			
i. Loans receivable	6(i)	936	963
ii. Other financial assets	6(ii)	3,630	3,808
Income tax assets (net)	7	96	225
Other non-current assets	8	1,868	1,424
		14,235	**13,445**
Current assets			
Inventories	9	25,453	20,100
Financial assets			
i. Investments	10(i)	1,252	-
ii. Trade receivables	10(ii)	882	835
iii. Cash and cash equivalents	10(iii)	495	144
iv. Other bank balance	10(iv)	67	4
v. Loan receivables	10(v)	369	171
vi. Other financial assets	10(vi)	882	742
Other current assets	11	4,088	2,925
		33,488	**24,921**
		47,723	**38,366**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	665	665
Other equity	13	1,123	922
		1,788	**1,587**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	14(i)	870	1,697
ii. Lease liabilities	14(ii)	7,813	7,643
iii. Other financial liabilities	14(iii)	304	321
Provisions	15	401	367
Other non-current liabilities	16	128	131
		9,516	**10,159**
Current liabilities			
Financial liabilities			
i. Borrowings	17(i)	11,405	7,968
ii. Gold on loan	17(ii)	11,569	7,760
iii. Lease liabilities	17(iii)	1,684	1,504
iv. Trade payables	17(iv)		
(a) Total outstanding dues of micro and small enterprises		615	261
(b) Total outstanding dues of creditors other than micro and small enterprises		7,093	6,019
v. Other financial liabilities	17(v)	754	1,139
Provisions	18	164	138
Other current liabilities	19	3,135	1,831
		36,419	**26,620**
		47,723	**38,366**
Summary of significant accounting policies	**3**		

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

As per our report of even date attached

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

VIKASH GUPTA Digitally signed by VIKASH GUPTA Date: 2021.04.26 21:00:41 +05'30'

Vikash Gupta
Partner
Membership No. 064597

Place: Bengaluru
Date: April 26, 2021

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

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

MITHUN PADAMCHAND SACHETI Digitally signed by MITHUN PADAMCHAND SACHETI Date: 2021.04.26 16:24:50 +05'30'

Mithun Padamchand Sacheti
Managing Director
DIN: 01683592

Place: Chennai
Date: April 26, 2021

SUBRAMANIAM SOMASUNDARAM Digitally signed by SUBRAMANIAM SOMASUNDARAM Date: 2021.04.26 18:57:10 +05'30'

S.Subramaniam
Director
DIN: 01494407

Place: Bengaluru
Date: April 26, 2021

MANOJ BHANAWAT Digitally signed by MANOJ BHANAWAT Date: 2021.04.26 16:29:19 +05'30'

Manoj Bhanawat
Chief Financial Officer

Place: Chennai
Date: April 26, 2021

AHONA DAS GUPTA Digitally signed by AHONA DAS GUPTA Date: 2021.04.26 19:18:59 +05'30'

Ahona Das Gupta
Company Secretary

Place: Chennai
Date: April 26, 2021

CARATLANE TRADING PRIVATE LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	**Note**	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Revenue from operations	20	71,570	62,122
Other income	21	734	742
Total income (I)		**72,304**	**62,864**
Expenses			
Cost of materials consumed		43,097	36,237
Purchase of stock-in-trade		10,708	12,085
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(3,734)	(4,055)
Employee benefits expense	23	5,792	5,752
Finance costs	24	2,068	1,621
Depreciation and amortisation expense	25	2,183	1,753
Other expenses	26	12,028	12,198
Total expenses (II)		**72,142**	**65,591**
'Profit / (loss) before tax (III) [(I)-(II)]		**162**	**(2,727)**
Tax expense			
- Current tax		-	-
- Deferred tax		-	-
Profit/(loss) after tax (A)		**162**	**(2,727)**
Other comprehensive income			
Items that will not be reclassified subsequently to the statement of profit and loss:			
- Remeasurements of employee defined benefit plans		5	(36)
- Income-tax on above		-	-
Items that will be reclassified to the statement of profit and loss:			
- Effective portions of gains and loss on designated portion of hedging instruments in a cash flow hedge		(2)	(0)
- Income-tax on above		-	-
Total other comprehensive income (B)		**3**	**(36)**
Total comprehensive income for the year (A+B)		**165**	**(2,763)**
Earnings / (loss) per equity share (par value of Rs. 2 per share)			
Basic earnings / (loss) per share		0.49	(8.20)
Diluted earnings / (loss) per share	27	0.48	(8.20)

*Represents amounts less than Rs. 1 lakh

Significant accounting policies **3**

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

As per our report of even date attached

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

VIKASH GUPTA Digitally signed by VIKASH GUPTA Date: 2021.04.26 21:02:15 +05'30'

Vikash Gupta
Partner
Membership No. 064597

Place: Bengaluru
Date: April 26, 2021

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

CARATLANE TRADING PVT LTD CHENNAI 600 006

MITHUN PADAMCHAND SACHETI Digitally signed by MITHUN PADAMCHAND SACHETI Date: 2021.04.26 16:25:14 +05'30'

Mithun Padamchand Sacheti
Managing Director
DIN: 01683592

Place: Chennai
Date: April 26, 2021

SUBRAMANIAM SOMASUNDARAM Digitally signed by SUBRAMANIAM SOMASUNDARAM Date: 2021.04.26 18:57:43 +05'30'

S.Subramaniam
Director
DIN: 01494407

Place: Bengaluru
Date: April 26, 2021

MANOJ BHANAWAT Digitally signed by MANOJ BHANAWAT Date: 2021.04.26 16:28:52 +05'30'

Manoj Bhanawat
Chief Financial Officer

Place: Chennai
Date: April 26, 2021

AHONA DAS GUPTA Digitally signed by AHONA DAS GUPTA Date: 2021.04.26 19:19:53 +05'30'

Ahona Das Gupta
Company Secretary

Place: Chennai
Date: April 26, 2021

CARATLANE TRADING PRIVATE LIMITED

STANDALONE STATEMENT OF CASH FLOWS
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profir/(loss) before tax	**162**	**(2,727)**
Adjustments for:		
Depreciation and amortisation expenses	2,183	1,753
Allowance for doubtful trade receivables	19	-
Allowance for doubtful trade receivables and advances (net)	-	15
Interest income on fixed deposits	(6)	(37)
Interest income on financial assets carried at amortised cost	(414)	(321)
Deferred rental income and rent equalisation	(89)	(46)
Gain on sale of investment (net)	(43)	-
Finance cost	2,068	1,621
(Profit) / loss on sale of property, plant and equipment	8	(2)
Property, plant and equipment wrtitten off	23	-
Employee stock option expense	36	41
Operating profit before working capital changes	**3,947**	**297**
Change in operating assets and liabilities		
(increase)/ decrease in trade receivables	(66)	367
(increase)/ decrease in inventories	(5,353)	(3,635)
(increase)/ decrease in loans receivable, financial and other assets	(1,755)	(1,491)
increase/ (decrease) in other financial liabilities	3	188
increase/ (decrease) in provisions	65	30
increase/ (decrease) in gold on loan and trade payables	5,237	(2,759)
increase/ (decrease) in other liabilities	1,301	(64)
Cash genereated from/ used in operating activities before taxes	**3,379**	**(7,067)**
Income taxes paid	129	(122)
Net cash inflow / outflow from operating activities (A)	**3,508**	**-7,189**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets and intangible assets under development	(1,563)	(1,641)
Proceeds from sale of property, plant and equipment	89	90
Purchase/sale of Mutual Fund investments, net	(1,208)	-
Interest received	5	38
(Investment)/redemption in other bank balances	(63)	30
Lease payments received from sub-leases	915	706
Net cash used in investing activities (B)	**(1,825)**	**(777)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Payment towards lease liabilities	(2,385)	(2,463)
Repayment of borrowings	(38,237)	(11,109)
Proceeds from borrowings	40,438	17,826
Interest paid	(1,148)	(848)
Net cash used in / generated from financing activities (C)	**(1,332)**	**3,406**
Net cash increase/(decrease) in cash and cash equivalents (A+B+C)	351	(4,560)
Cash and cash equivalents as at the beginning of the year (Refer note 10(iii))	144	4,704
Cash and cash equivalents as at the end of the year (Refer note 10(iii))	**495**	**144**

Significant accounting policies **3**

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached

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

VIKASH GUPTA Digitally signed by VIKASH GUPTA Date: 2021.04.26 21:03:24 +05'30'

Vikash Gupta
Partner
Membership No. 064597

Place: Bengaluru
Date: April 26, 2021

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

MITHUN PADAMCHAND SACHETI Digitally signed by MITHUN PADAMCHAND SACHETI Date: 2021.04.26 16:25:40 +05'30'

Mithun Padamchand Sacheti
Managing Director
DIN: 01683592

Place: Chennai
Date: April 26, 2021

SUBRAMANIAM SOMASUNDARAM Digitally signed by SUBRAMANIAM SOMASUNDARAM Date: 2021.04.26 18:58:18 +05'30'

S.Subramaniam
Director
DIN: 01494407

Place: Bengaluru
Date: April 26, 2021

MANOJ BHANAWAT Digitally signed by MANOJ BHANAWAT Date: 2021.04.26 16:28:32 +05'30'

Manoj Bhanawat
Chief Financial Officer

Place: Chennai
Date: April 26, 2021

AHONA DAS GUPTA Digitally signed by AHONA DAS GUPTA Date: 2021.04.26 19:20:19 +05'30'

Ahona Das Gupta
Company Secretary

Place: Chennai
Date: April 26, 2021

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

CARATLANE TRADING PRIVATE LIMITED
(formerly known as Carat Lane Trading Private Limited)

STANDALONE STATEMENT OF CHANGES IN EQUITY
(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance at the April 1, 2019	665
Changes in equity share capital during the year	-
As at March 31, 2020	**665**
Changes in equity share capital during the year	-
As at March 31, 2021	**665**

B. Other equity

Particulars	Reserves and surplus			Other comprehensive income		Total
	Securities premium	Stock options outstanding account	Retained earnings	Cash flow hedge reserve	Re-measurement of defined benefit obligation	
Balance at the April 1, 2019	**40,901**	**665**	**(37,524)**	**-**	**(96)**	**3,946**
Effect of adoption of Ind AS 116	-	-	(303)	-	-	(303)
Premium on shares issued during the year	22	(22)	-	-	-	-
Loss for the year	-	-	(2,727)	-	-	(2,727)
Employee stock option expense	-	41	-	-	-	41
Other comprehensive income for the year (net of taxes)	-	-	-	(0)	(36)	(36)
Total comprehensive income for the year				**-**	**-**	**(3,025)**
Balance as at March 31, 2020	**40,923**	**684**	**(40,553)**	**(0)**	**(132)**	**922**
Balance as at April 1, 2020	**40,923**	**684**	**(40,553)**	**(0)**	**(132)**	**922**
Premium on shares issued during the year	2	(2)	-	-	-	-
Loss for the year	-	-	162	-	-	162
Employee stock option expense	-	36	-	-	-	36
Other comprehensive income for the year (net of taxes)	-	-	-	(2)	5	3
Total comprehensive income for the year				**-**	**-**	**201**
Balance as at March 31, 2021	**40,925**	**718**	**(40,391)**	**(2)**	**(127)**	**1,123**

Significant accounting policies **3**
The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

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

VIKASH GUPTA Digitally signed by VIKASH GUPTA Date: 2021.04.26 21:04:32 +05'30'

Vikash Gupta
Partner
Membership No. 064597

Place: Bengaluru
Date: April 26, 2021

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

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

MITHUN PADAMCHAND SACHETI Digitally signed by MITHUN PADAMCHAND SACHETI Date: 2021.04.26 16:25:56 +05'30'

Mithun Padamchand Sacheti
Managing Director
DIN: 01683592

Place: Chennai
Date: April 26, 2021

SUBRAMANIAM SOMASUNDARAM Digitally signed by SUBRAMANIAM SOMASUNDARAM Date: 2021.04.26 18:59:26 +05'30'

S.Subramaniam
Director
DIN: 01494407

Place: Bengaluru
Date: April 26, 2021

MANOJ BHANAWAT Digitally signed by MANOJ BHANAWAT Date: 2021.04.26 16:28:13 +05'30'

Manoj Bhanawat
Chief Financial Officer

Place: Chennai
Date: April 26, 2021

AHONA DAS GUPTA Digitally signed by AHONA DAS GUPTA Date: 2021.04.26 19:20:47 +05'30'

Ahona Das Gupta
Company Secretary

Place: Chennai
Date: April 26, 2021

1 BACKGROUND

CARATLANE TRADING PRIVATE LIMITED is a company limited by shares, incorporated and domiciled in India. The Company listed its commercial paper on the BSE Ltd. in India on March 13, 2020 with ISN number INE015Y14039. The Company primarily manufactures and trades in jewellery.

The standalone financial statements for the year ended March 31, 2021 have been approved by the Board of Directors on April 26, 2021.

2 BASIS OF PREPARATION AND PRESENTATION

(i) Statement of compliance

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

(ii) Basis of measurement

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

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

(iii) Use of estimates, assumptions and judgement

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

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements is included in the following notes:
- Note 30 – Leases – whether an arrangement contains a lease
- Note 30 – Lease classification (including the expected general inflation rates)
- Note 33 - Revenue Recognition

Assumptions and estimation

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending March 31, 2021 is included in the following notes:
- Note 4 (i) – Useful life of the Property, plant and equipment;
- Note 4 (ii) – Useful life of the Intangible assets;
- Note 34 – Contingent liabilities and commitments;
- Notes 31 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 30 – Leases - Lease term and incremental borrowing rate
- Note 36 – Fair value measurement of financial instruments
- Note 33 - Revenue recognition

Impact of COVID-19 (pandemic)

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in pricing, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

(iv) Functional and presentation currency

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

(v) Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.
The Company has an established control framework with respect to the measurement of fair values and the valuation team regularly reviews significant unobservable inputs and valuation adjustments.
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

- Note 36 - financial instruments.

3 SIGNIFICANT ACCOUNTING POLICIES

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

(i) Revenue recognition

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

Sale of products

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

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

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

Use of significant judgements in revenue recognition.

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

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

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

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

The Company has determined that the revenues as disclosed in Note 20 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

i (a) Other income

Franchisee Signing Fees :Franchisee signining fees is recognised based on the franchisee stores opened during the year which varies based on the location. It excludes taxes remitted to the goverment which are receovered from the Franchisee's. (Note 21)

(ii) Property, plant and equipment

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

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

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

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

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

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

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

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

Depreciation methods, estimated useful life and residual value

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

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

(ii) Property, plant and equipment (continued)

Depreciation for assets purchased / sold during the period is proportionally charged.

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

(iii) Intangible assets

(a) Internally generated : Research and development

Expenditure on research activities is recognized in the statement of profit and loss as incurred.

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

(b) Amortization

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

The estimated useful lives are as follows:

Asset	Useful life
Computer software	3 years
Caratlane portal	3 years

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

(iv) Impairment

(a) Financial assets

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

(b) Non-financial assets

Intangible assets and property, plant and equipment

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

(v) Leases

Company as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a. the contract involves the use of an identified asset;
b. the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
c. the Company has the right to direct the use of the asset.

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

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

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

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

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

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

Company as a lessor

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

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

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

(v) Leases (continued)

Company as a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right of use assets and lease liabilities for most leases i.e. these leases are on standalone balance sheet.

On transition, the Company has applied following practical expedients:

a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.

b. Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition.

c. Excluded the initial direct costs from the measurement of the right-of -use-asset at the date of transition.

d. Grandfathered the assessment of which transactions are, or contain leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

e. Relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review.

f. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Company has also applied recognition exemptions of short-term leases to all categories of underlying assets.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. Refer note 30 for details on impact due to Ind AS 116 application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. On transition, the Company recognised a lease receivable measured at the present value of the remaining lease payments receivable. Refer note 30 for details on impact due to Ind AS 116 application.

(vi) Inventories

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

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

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

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

(iv) Gold is valued on first-in-first-out basis.

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

Unfixed gold is valued at the provisional gold price prevailing on the date of receipt of gold.

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

(vii) Foreign currency transactions and balances

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

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

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

(viii) Taxation

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

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

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

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

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

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

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

(ix) Employee benefits

i) Short term employee benefits

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

ii) Defined contribution plan

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

(ix) Employee benefits (continued)

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

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

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

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

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

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

(xi) Financial instruments
Recognition of financial assets and financial liabilities:
Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognized immediately in the statement of profit and loss.
All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of financial assets.

A) Financial assets
Classification of financial assets:
On initial recognition, a financial asset is classified at
(i) Amortized cost
(ii) Fair value through other comprehensive income (FVOCI)
(iii) Fair value through profit and loss (FVTPL)
Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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

Financial assets at fair value through comprehensive income

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

Financial assets at fair value through profit and loss
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or

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

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

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

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

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

(xii) Derivative financial instruments

a. Fair value hedge

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 recorded in Standalone Statement of Profit and Loss with an adjustment 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.

b. Cash flow hedge

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

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

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

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

(xiii) Provisions and contingent liabilities

a. General

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

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

b. Contingent liabilities

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

c. Onerous contracts

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

(xiv) Cash and cash equivalents

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

(xv) Standalone cash flow statement

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

(xvi) Borrowing Cost

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

(xvii) Earning per share

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

(xviii) Segment Reporting

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

(xix) Recent pronouncements:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet
(a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
(b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
(c) Specified format for disclosure of shareholding of promoters
(d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
(e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
(f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

Statement of profit and loss:
(a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

(All amounts in INR lakhs, unless otherwise stated)

4(i) Property, plant and equipment*

Particulars	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	As at 1 April, 2020	Additions	Deletions	As at 31 March, 2021	As at 1 April, 2020	Charge for the year	Deletions	As at 31 March, 2021	As at 31 March, 2021
Tangible assets									
Furniture and fittings	766	74	45	795	204	75	26	253	542
Leasehold improvements	977	314	49	1,242	577	177	25	729	513
Computer equipment	506	136	7	635	318	115	1	432	203
Computer server	26	6	-	32	13	3	-	16	16
Mock jewellery	250	-	-	250	250	-	-	250	-
Office equipment	591	164	24	731	311	93	13	391	340
Jewellery machine	275	216	-	491	73	26	-	99	392
Vehicles	19	2	18	3	4	2	4	2	1
Total (A)	**3,410**	**912**	**143**	**4,179**	**1,750**	**491**	**69**	**2,172**	**2,007**

Particulars	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	As at 1 April, 2019	Additions	Deletions	As at 31 March, 2020	As at 1 April, 2019	Charge for the year	Deletions	As at 31 March, 2020	As at 31 March, 2020
Tangible assets									
Furniture and fittings	639	231	104	766	192	65	53	204	562
Leasehold improvements	784	293	100	977	514	149	86	577	400
Computer equipment	441	155	90	506	300	105	86	318	188
Computer server	24	6	4	26	15	3	6	13	13
Mock jewellery	250	-	-	250	250	-	-	250	-
Office equipment	434	209	52	591	277	79	45	311	280
Jewellery machine	244	42	11	275	66	18	11	73	202
Vehicles	48	18	47	19	32	8	36	4	15
Total (A)	**2,864**	**954**	**408**	**3,410**	**1,646**	**427**	**323**	**1,750**	**1,660**

*For details of property plant and equipment charged against borrowings, refer note 17(i)

4(ii) Intangible assets

Particulars	Gross carrying amount				Accumulated amortization				Carrying amount (net)
	As at 1 April, 2020	Additions	Deletions	As at 31 March, 2021	As at 1 April, 2020	Charge for the year	Deletions	As at 31 March, 2021	As at 31 March, 2021
Intangible assets									
Computer software	1,298	501	141	1,658	628	451	118	961	697
Caratlane portal	253	-	14	239	253	-	14	239	-
Total	**1,551**	**501**	**155**	**1,897**	**881**	**451**	**132**	**1,200**	**697**

Particulars	Gross carrying amount				Accumulated amortization				Carrying amount (net)
	As at 1 April, 2019	Additions	Deletions	As at 31 March, 2020	As at 1 April, 2019	Charge for the year	Deletions	As at 31 March, 2020	As at 31 March, 2020
Intangible assets									
Computer software	783	515	-	1,298	318	310	-	628	670
Caratlane portal	253	-	-	253	248	5	-	253	-
Total	**1,036**	**515**	**-**	**1,551**	**566**	**315**	**-**	**881**	**670**

(All amounts in INR lakhs, unless otherwise stated)

5 Right of use assets*

Particulars	As at 31 March 2021	31 March 2021 March 31, 2020
Owned assets		
Buildings		
As at April 1	5,354	-
Transition impact of IndAS 116	-	3,207
Additions	1,385	2,147
Disposals	-	-
As at March 31	**6,739**	**5,354**
Accumulated amortisation		
As at April 1	1,011	-
Charge for the year	1,241	4,343
Net carrying value	**4,487**	**4,343**

*Also refer note 30.

6 Financial assets

(i) Loan receivable

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	926	953
Other deposits	10	10
Total	**936**	**963**

(ii) Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Lease receivables [refer note 30]	3,630	3,808
Total	**3,630**	**3,808**

7 Income tax asset (net)

Particulars	As at 31 March 2021	As at 31 March 2020
TDS receivable	96	225
Total	**96**	**225**

8 Other non-current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Capital advances	87	96
Deferred rental deposit	138	133
Balance with revenue authorities	1,643	1,195
Total	**1,868**	**1,424**

9 Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	5,047	3,427
Work-in-progress	486	324
Finished goods	14,147	10,341
Stock-in-trade	5,773	6,008
Total	**25,453**	**20,100**

For the year ended 31 March, 2021

(i) The cost of inventories recognised as an expense during the year is INR 50,071 lakhs (previous year: INR 44,267 lakhs).

(ii) The cost of inventories recognised as an expense includes INR 15.46 lakhs (previous year: INR 4.38 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 11,569 lakhs (previous year: INR 7,760 lakhs).

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

10 Financial assets

(i) Investments

Particulars	As at 31 March 2021	As at 31 March 2020
Investment in mutual funds		
Mutual Fund		-
411,012 units (previous year - nil) ICICI Prudential Liquid Fund -Direct-Growth	1,252	
Total	**1,252**	**-**
Quoted		
Agrregate book value	1,251	-
Agrregate market value	1,252	
Total	**1,252**	**-**

(ii) Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Trade receivables, considered good	713	577
Receivables from related parties (refer note 28)	169	258
Less: Allowance for doubtful trade receivables	-	-
Considered good	**882**	**835**
Trade receivables, credit imparied	43	24
Less: Allowance for doubtful trade receivables	(43)	(24)
Total	**882**	**835**

Age of receivables

Particulars	As at 31 March 2021	As at 31 March 2020
- Less than 1 year	884	843
- 1 to 2 years	37	14
- 2 to 3 years	3	1
- 3 to 4 years	1	1
Total	**925**	**859**

Movement in the expected credit loss allowance

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning of the year	24	124
Provision created during the year	19	-
Bad debts written off during the year	-	(100)
Balance at the end of the year	**43**	**24**

(All amounts in INR lakhs, unless otherwise stated)

10 Financial assets (continued)
(iii) Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	42	22
Balances with banks		
(i) in current accounts	333	120
Deposits with original maturity of less than three months	120	2
Total	**495**	**144**

(iv) Other bank balances

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with original maturity of more than 3 months	67	4
Total	**67**	**4**

(v) Loan receivable

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	296	117
Employee loans	73	54
Total	**369**	**171**

(vi) Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Lease receivables [refer note 30]	689	533
Interest accrued on fixed deposits	2	1
Other receivable (refer note a. below)	171	184
Margin money for gold future contracts	20	24
Total	**882**	**742**

a. Balance pertains to amount receivable from franchisee's towards day to day expenditure

11 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Balance with revenue authorities	3,419	2,409
Prepayments	205	146
Contract assets [refer note 33]	197	100
Other advances	10	68
Other assets	19	17
Advance to suppliers	395	342
Less : Allowance towards advance to supplier	(157)	(157)
Total	**4,088**	**2,925**

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12 Share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount (Rs. lakhs)	No of shares	Amount (Rs. lakhs)
Authorised share capital				
Equity share of Rs. 2 each with voting rights	4,99,53,234	999	4,99,53,234	999
Total authorised share capital	**4,99,53,234**	**999**	**4,99,53,234**	**999**
Issued, subscribed and fully paid up equity share capital				
Equity share of Rs. 2 each with voting rights	3,32,51,652	665	3,32,50,452	665
Total issued share capital	**3,32,51,652**	**665**	**3,32,50,452**	**665**

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

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

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

During the year the Company granted 70,000 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, 2021	For the year ended March 31, 2020
Options outstanding at the beginning of the year	4,88,800	4,62,600
Options granted during the year	70,000	77,000
Options forfeited during the year	(5,600)	(38,800)
Options exercised during the year	(1,200)	(12,000)
Outstanding at the end of the year	**5,52,000**	**4,88,800**
Options exercisable at the end of the year	**4,36,900**	**3,35,020**
Weighted average exercise price per option (Rs.)	**83.51**	**48.19**

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, 2021 and March 31, 2020 under the Caratlane stock Options Plan was 6 years and 7 years respectively.
The fair value of the options is estimated on the date of grant using the Black-Scholes-Merton Model with the following assumptions:

Particulars	March 31, 2021	March 31, 2020
No. of options granted	70,000	77,000
Date of grant	January 28, 2021	October 21, 2019
Vesting period	4 years	4 years
Dividend yield (%)	-	-
Volatility rate (%)	-	-
Risk free rate (%)	5.97%	6.30%
Expected life of options (years)	5.5	5.5
Weighted average fair value of options per share (Rs.)	474	328

12 Share capital (continued)

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

The stock price of the Company is arrived using the 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, 2021, the Company recorded employee compensation of Rs 36 lakhs (previous year : Rs. 41 lakhs) in the standalone statement of profit and loss towards options granted / forfeited / expired. Refer note 23 for further details.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	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	3,32,50,452	665	3,32,38,452	665
Add: Issue of shares pursuant to options being exercised by employees	1,200	-	12,000	-
At the end of the year	**3,32,51,652**	**665**	**3,32,50,452**	**665**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	% holding	No. of shares held	% holding
Equity shares with voting rights				
Mr. Mithun Padamchand Sacheti	38,35,327	11.53%	38,35,327	11.53%
Mr. Siddhartha Padamchand Sacheti	37,00,000	11.13%	37,00,000	11.13%
Mr. Padamchand Sacheti	16,55,000	4.98%	16,55,000	4.98%
Titan Company Limited	2,40,36,325	72.29%	2,40,36,325	72.29%
Total	**3,32,26,652**	**99.92%**	**3,32,26,652**	**99.93%**

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13 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium *(Amounts received on issue of shares in excess of the par value has been classified as securities premium)*	40,925	40,923
Stock options outstanding account *(Shares granted to employee under employee stock option plan)*	718	684
Retained earnings *(Retained earnings comprise of the Company's prior years' losses after tax)*	(40,391)	(40,553)
Other comprehensive income *(Represents actuarial gain or loss on remeasurement of net defined benefit liability and effective portions of gains and loss on designated portion of hedging instruments in a cash flow hedge)*	(129)	(132)
Total	**1,122**	**922**

14 Financial liabilities

i. Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost:		
Secured		
Long-term borrowings (Term loan)*	1,523	2,758
Less: Current maturities of long-term borrowings	(653)	(1,061)
Total	**870**	**1,697**

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

The effective interest rate of the term loan was 8.19% per annum and is payable over 48 equal monthly installments begining from 1 June 2019. Current revised rate as per the bank is 5.5% from 22 March 2021. A prepayment of Rs.500 lakhs of the principal amount was made in January 2021.

ii. Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities [refer note 30]	7,813	7,643
Total	**7,813**	**7,643**

iii. Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Rental deposit [refer note 30]	304	321
Total	**304**	**321**

15 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for gratuity [Refer note 31]	339	269
Provision for compensated absences [Refer note 31]	62	98
Total	**401**	**367**

16 Other non-current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Deffered rental deposit [refer note 30]	128	131
Total	**128**	**131**

(All amounts in INR lakhs, unless otherwise stated)

17 Financial liabilities

i. Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Bank overdraft and cash credit**	1,000	3,025
Commercial paper [refer note 34]	10,405	4,943
Total	**11,405**	**7,968**

** Secured against the Company's inventory, receivables and movable fixed assets on pari-passu basis. The interest rate on the overdraft varies from 8.30% to 8.95% per annum and is payable at monthly intervals. The overdraft is payable on demand.

ii. Gold on loan

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Payable to banks*	11,569	7,760
Total	**11,569**	**7,760**

*Secured against inventory and receivables. Includes amounts payable against gold purchased from various banks under gold on loan scheme. The interest rate of the gold on loan varies from 2.25% to 3% per annum as at 31 March 2021 and is payable at monthly intervals. The credit period under the aforesaid arrangement is 180 days from the date of the delivery of gold.

iii. Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities [refer note 30]	1,684	1,504
Total	**1,684**	**1,504**

iv. Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
Outstanding dues of micro and small enterprises [Refer note (a) below]	615	261
Outstanding dues of creditors other than micro and small enterprises		
- Creditors for goods	4,038	4,381
- Creditors for services	3,055	1,638
Total	**7,708**	**6,280**

(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 2021. 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, 2021	As at March 31, 2020
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal	615	261
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	615	**261**

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.

(All amounts in INR lakhs, unless otherwise stated)

17 Financial liabilities (continued)

v. Other financial liabilities

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Capital creditors	12	9
Security deposits	89	69
At amortised cost:		
Secured		
Current maturities of long term borrowings*	653	1,061
Total	**754**	**1,139**

* Secured against the Corporate Guarantee issued by Titan Company Limited - [refer note 14(i) above]

18 Provisions

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Provision for gratuity [refer note 31]	71	53
Provision for compensated absences [refer note 31]	33	35
Provision for warranty	60	50
Total	**164**	**138**

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

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Opening balance	50	31
Provisions made during the year	21	33
Utilsations / reversed during the year	(11)	(14)
Provision at the end of the year	**60**	**50**

19 Other current liabilities

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Deffered rental deposit	23	21
Statutory dues	314	249
Contract liability [refer note 33]	274	143
Advance from franchisee	45	51
Advance from customers	2,479	1,367
Total	**3,135**	**1,831**

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(All amounts in INR lakhs, unless otherwise stated)

20 Revenue from operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	71,525	61,456
Other operating revenue	45	666
Total	**71,570**	**62,122**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contracted price	84,874	72,163
Reduction towards variable componenets	13,349	10,707
Revenue recognised	**71,525**	**61,456**

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

21 Other income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Franchisee signining fees	100	138
Deferred rental income	69	30
Rent deposit equalization	20	16
Interest income on financial assets carried at amortised cost [refer Note-30]	414	320
Profit on sale of property, plant and equipment	-	2
Net gain on sale of current investments	43	-
Miscellaneous income	88	236
Total	**734**	**742**

22 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Finished goods		
- Closing stock	14,147	10,341
- Opening stock	10,398	5,563
	3,749	**4,778**
Work-in-progress		
- Closing stock	486	324
- Opening stock	323	66
	163	**258**
Stock-in-trade		
- Closing stock	5,773	6,008
- Opening stock	5,951	6,989
	(178)	**(981)**
Increase in inventory	**3,734**	**4,055**

23 Employee benefits expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	5,251	5,299
Contribution to provident and other funds	181	172
Staff welfare expense	324	240
Employee share based payment expense	36	41
Total	**5,792**	**5,752**

(All amounts in INR lakhs, unless otherwise stated)

24 Finance cost

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Interest on borrowings	1,144	816
Interest on lease liabilities	920	773
Others	4	32
Total	**2,068**	**1,621**

25 Depreciation and amortisation expense

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Depreciation of property, plant and equipment (refer note 4(i))	491	427
Depriciation of right of use asset (refer note 5)	1,241	1,011
Amortisation of intangible assets (refer note 4(ii))	451	315
Total	**2,183**	**1,753**

26 Other expenses

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Advertising	3,510	4,869
Agent commission	4,010	3,370
Rent (refer note 30)	-	300
Freight and forwarding	1,074	393
Travelling and conveyance	98	312
Professional service charges	808	941
Bank charges	556	362
Software expenditure	553	548
Allowance for doubtful advances	-	15
Bad debts written off	-	89
Allowance for doubtful trade receivables	19	-
Power and fuel	144	128
Communication expenses	99	98
Rates and taxes	71	32
Director sitting fee	28	24
Repairs and maintenance	358	318
Insurance	36	35
Payments to auditors (Refer note below)	33	37
Loss on sale of property, plant and equipment	8	-
Property, plant and equipment wrtitten off	6	-
Intangiable assets wrtitten off	23	-
Miscellaneous expenses	594	327
Total	**12,028**	**12,198**

Payment to auditors

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
For statutory audit	22	22
For tax audit	2	2
Other matters	8	12
Reimbursement of out-of-pocket expenses	1	1
Total	**33**	**37**

(All amounts in INR lakhs, unless otherwise stated)

27 Earnings / (loss) per share

Reconciliation of basic and diluted shares used in computing per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic and diluted profit/(loss) per shares		
Profit/(loss) after tax	162	(2,727)
Number of weighted average shares considered for calculation of basics earning per share	3,32,51,451	3,32,46,770
Add : Dilutive effect of stock options	4,99,346	-
Number of weighted average shares considered for calculation of diluted earning per share	3,37,50,797	3,32,46,770
Earning per share		
Nominal value of shares (in INR)	2	2
Earnings / (Loss) per share - Basic (in INR)	**0.49**	**(8.20)**
Earnings / (Loss) per share - Diluted (in INR)	**0.48**	**(8.20)**

28 Related party disclosures

a) Holding company	:	Titan Company Limited
b) Other related parties	:	Jaipur Gems and Handicrafts Private Limited
		Starfire Gems Private Limited
		Freshworks Inc.
c) Key management personnel	:	Mr. Mithun Padamchand Sacheti, Managing Director
		Mr. Bhaskar Bhat, Non-executive Director
		Mr. C K Venkataraman (Resigned 20 August 2020), Non-executive Director
		Mr. Subramaniam Somasundaram, Non-executive Director
		Mr. Sandeep Anant Kulhalli, Non-executive Director
		Mr. Ajoy Hiro Chawla, Non-executive Director
		Mr. Mathrubootham Rathnagirish, Independent Director
		Ms. Neelam Chhiber, Independent Director
		Mr. Manoj Bhanawat, Chief Financial Officer
		Mr. Bharatraj Panchal (Company Secretary) (Resigned 20 August 2020)
		Ms. Ahona Das (Company Secretary) (w.e.f 25 September 2020)

Enterprises in which Key Management Personnel or relative of Key Management Personnel has significant influence

1 Not A Box,Partnership Firm
2 Freshworks Inc
3 Microgo, LLP
4 Luxury Online Retail Private Limited

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

Name of the related party	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Jaipur Gems and Handicrafts Private Limited	Sale of goods	4	-
	Purchase of goods	5	-
	Reimbursement of expenses - Payable	5	5
Mithun Padamchand Sacheti	Director's remuneration	173	173
Manoj Bhawat	Chief financial officer remunaration	66	-
Bhartraj Panchal	Renumeration	-	19
Ahona Das Gupta	Remunaration	7	-
Starfire Gems Private Limited	Purchase of goods	270	339
	Sale of goods	-	4
	Rent payable	19	24
	Reimbursement Payable	1	-
Freshworks Inc	Services	13	7
Luxury Online Retail India Private Limited	Reimbursement of expense - payable	9	3
	Labour charges	-	9
	Purchase of capex	-	9
Titan Company Limited	Purchase of goods	869	1,676
	Sale of goods	820	2,393
	Sitting fees	-	7
	Services	45	708
	Purchase of capex	14	-
	Reimbursement of expenses/services - receivable	49	-
	Reimbursement of expenses/services - payable	319	331
	Interest receivable	-	8
	Interest on Corporate guarantee	14	18

28 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	For the year ended March 31, 2021	For the year ended March 31, 2020
Mathrubootham Rathnagirish	Sitting fees	4	4
Neelam Chhiber	Sitting fees	12	13
Bhaskar Bhat	Sitting fees	7	1
Sandeep Anant Kulhalli	Sitting fees	5	-
Not A Box	Reimbursement of expenses/services - Receivable	0	6
Microgo LLP	Reimbursement of expenses/services - Receivable	3	3

Balances as on balance sheet date

Name of the related party	Nature of transaction	Balance as on March 31, 2021	Balance as on March 31, 2020
Jaipur Gems and Handicrafts Private Limited	Advances received towards material	-	2
Starfire Gems Private Limited	Payables	55	7
Luxury Online Retail India Private Limited	Receivable	-	9
Titan Company Limited	Payable	174	338
	Others	-	8
	Receivable	209	249
	Advances for services	-	11
Not A Box	Expenses reimbursement	6	6

29 Taxes

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit/ (loss) before tax	162	(2,727)
Applicable tax rate	33.38%	33.38%
Computed tax credit (A)	**54**	**(910)**
Tax effect of unrecognized deferred tax assets (B)	(54)	910
Total tax expense (A-B)	-	-

The Company has not recognized a deferred tax asset in the absence of convincing evidence for set off against future taxable income. The Company has cumulative unrecognized income tax losses of Rs. 23,395 lakhs (previous year: Rs. 21,803 lakhs). The Company has generated profit during the current year and losses in the immediately preceding two years,

30 Leases

The company has applied Ind AS 116 with the date of initial application of April 1, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed

30.1 Amounts recognised in balance sheet

Particulars	Note	As at March 31, 2021	As at March 31, 2020
(i) Right-of-use assets	5		
Buildings		4,487	4,343
(ii) Lease liabilities			
Non-current	14(ii)	7,813	7,643
Current	17(iii)	1,684	1,504
		9,497	**9,147**
(iii) Lease receivables			
Non-current	6(ii)	3,630	3,941
Current	10(vi)	689	533
		4,319	**4,474**

30.2 Amounts recognised in the statement of profit and loss

Particulars	Note	As at March 31, 2021	As at March 31, 2020
(i) Depriciation and amortisation expense			
Buildings	25	1241	1,011
(ii) Interest expense (included in finance cost)	24	920	773
(iii) Interest income on sub-lease (included in other income)	21	414	321
(iv) Expense relating to short-term leases	25	347	458
(v) Expense relating to variable lease payments	25	-	13
(vi) Rent concessions	25	342	-

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

(b) The total cash outflow for the year ended March 31, 2021 amounts to Rs. 2,385 lakhs.

(All amounts in INR lakhs, unless otherwise stated)

30 Leases (continued)

30.3 The impact on the statement of profit and loss for the year ended March 31, 2021 is as below:

Particulars	As at March 31, 2021	As at March 31, 2020
Rent is lower by	(1,496)	(1,252)
Depreciation is higher by	1,241	1,011
Finance cost higher by	920	773
Other income is higher by	(414)	(321)
	251	**211**

The Company has discounted lease payments using applicable incremental borrowing rate which is ranging from 7.72% to 9.60% for measuring the lease liability.

31 Employee benefit obligations

a) Defined contribution plan

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

Particulars	As at March 31, 2021	As at March 31, 2020
Employee provident fund	173	161
Employee state insurance	8	10

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, 2021	As at March 31, 2020
Discount rate (p.a.)	5.30%	6.06%
Salary escalation rate (p.a.)		
- Corporate	8.50%	8.41%
- Non-corporate	6.50%	5.65%
- Manufacturing	3.75%	6.36%
Attrition rate		
- Corporate	25.83%	23.53%
- Non-corporate	28.51%	25.97%
- Manufacturing	10.34%	9.42%

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

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 31, 2021	
	Discount rate	Escalation rate
Defined benefit obligation when a plus 50 bps for respective rates is applied	400	417
Defined benefit obligation when a minus 50 bps for respective rates is applied	418	401

Particulars	For the year ended March 31, 2020	
	Discount rate	Escalation rate
Defined benefit obligation when a plus 50 bps for respective rates is applied	314	330
Defined benefit obligation when a minus 50 bps for respective rates is applied	330	314

Maturity profile	As at March 31, 2021	As at March 31, 2020
Expected benefits for year 1	86	44
Expected benefits for year 2	75	55
Expected benefits for year 3	67	50
Expected benefits for year 4	59	46
Expected benefits for year 5	46	40
Expected benefits in next 5 years	199	119

31 Employee benefit obligations (continued)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Current service cost	94	58
Past service cost	-	-
Interest on net defined benefit liability	18	14
Total expense charged to the standalone statement of profit and loss	**112**	**72**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Remeasurements during the year	(5)	36

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

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit liability	322	217
Expense charged to standalone statement of profit and loss	112	72
Amount recognised outside the standalone statement of profit and loss account	(5)	36
Employer contributions	(19)	(3)
Closing defined benefit liability	**410**	**322**

c) Compensated absences

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

Provision as at March 31, 2021 amounting to Rs. 33 lakhs (2020: Rs. 35 lakhs) is presented as current, since the Company based on past experience does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
Compensated absences		
Non-current	62	98
Current	33	35
Total	**95**	**133**

32 Segment reporting

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

33 Contract asset and liability

Contract asset represents the amount of goods expected to be received by the Company on account of sales return. Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. Thus, it represents the value of sales the Company estimates to be returned on account of sales return.

Nature	As at March 31, 2021	As at March 31, 2020
Contract liability		
Opening balance	143	294
Less: Provision reversed towards sales returns	(143)	(294)
Add: Provision towards sales return (reversed) / created	274	143
Closing balance	**274**	**143**
Contract assets		
Opening balance	100	55
Less: Provision reversed towards sales returns	(100)	(55)
Add: Provision towards sales return (reversed) / created	197	100
Closing balance	**197**	**100**

34 Commercial paper

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

March 31, 2021

Maturities	0-1 Month	2-3 Months	4-6 Months
Face value	-	8,500	2,000
Carrying value	-	8,433	1,972

The following tables set forth, ratings assigned by credit rating agency at March 31, 2021

Instrument	ICRA	CRISIL
Commerical paper	A1+	-

35 Contingent liabilities and commitments

Contingent liabilities not provided for - Rs. 102.31 lakhs (Previous year: Rs.1 lakhs) relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms.

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

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

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(All amounts in INR lakhs, unless otherwise stated)

36 Financial instruments

36.1 Categories of financial instruments

Financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
a. Measured at amortised cost		
- Loans to employees	73	54
- Security and other deposits	1,232	1,080
- Trade receivables	882	835
- Cash and cash equivalents	495	144
- Other bank balances	67	5
- Lease receivables	4,319	4,341
-Other financial assets	1,445	208
Total financial assets measured at amortised cost	**8,513**	**6,667**
Total financial assets	**8,513**	**6,667**

Financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
a. Measured at fair value through profit or loss ("FVTPL")		
- Gold on loan	11,569	7,760
Total financial liabilites measured at FVTPL (a)	**11,569**	**7,760**
a. Measured at amortised cost		
- Borrowings	12,275	9,665
- Rental deposits	393	390
- Trade payables	7,708	6,280
- Lease liabilities	9,497	9,147
- Other financial liabilities	665	1,070
Total financial liabilities measured at amortised cost (b)	**30,538**	**26,552**
Total financial liabilities (a + b)	**42,107**	**34,312**

36.2 (i) Fair value hierarchy

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

Particulars	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - March 31, 2021				
Financial liabilites				
- Gold loan	11,569	-	-	**11,569**
Total financial assets	**11,569**	**-**	**-**	**11,569**

Particulars	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - March 31, 2020				
- Gold loan	7,760	-	-	**7,760**
Total financial assets	**7,760**	**-**	**-**	**7,760**

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

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

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

(ii) Valuation technique used to determine fair value

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

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

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

36 Financial instruments (continued)

36.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company deals majorly with creditworthy counterparties and obtains sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. Credit risk arises principally from the Company's receivables from customers. Credit risk on liquid funds is limited because the counterparties are banks. Refer note 10(ii) for the disclosures for trade receivables.

36.4 Liquidity risk

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

Liquidity risk tables

The following table below analyses the Company's financial liabilities into relevant maturity groupings based on their maturities for all non-derivative financial liabilities that are net settled.

The tables have been drawn on an undiscounted basis based on the earliest date on which the Company can be required to pay.

Particulars	March 31, 2021	March 31, 2020
Secured bank overdraft/term loan facility, payable		
- amount used	2,523	7,325
- amount unused	7,977	7,475
Secured gold on loan facility, payable		
- amount used	11,569	7,760
- amount unused	9,931	1,940

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, 2021			
Non-derivative			
- Security deposits	-	393	393
- Borrowings	9,432	2,843	12,275
- Trade payables	5,255	2,453	7,708
- Gold loan	4,319	7,250	11,569
- Lease liabilities	415	9,082	9,497
- Other financial liabilities	175	490	665
Total non-derivative liabilities	**19,596**	**22,511**	**42,107**

Contractual maturities of financial liabilities	Less than 3 months	> 3 months	Total
March 31, 2020			
Non-derivative			
- Security deposits	-	390	390
- Borrowings	8,182	1,483	9,665
- Trade payables	6,101	179	6,280
- Gold loan	3,609	4,151	7,760
- Lease liabilities	489	8,658	9,147
- Other financial liabilities	214	856	1,070
Total non-derivative liabilities	**18,595**	**15,717**	**34,312**

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36 Financial instruments (continued)

36.5 Market risk

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

Price risk

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

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

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

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

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

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

Cash flow hedges Sell future contracts:

Particulars	Average rate (Per gram)	Quantity of hedge	Nominal amount
March 31, 2021	4,476	4	192
March 31, 2020	4,296	43	1,847

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

As at March 31, 2021 the aggregate amount of gains under forward/future contracts is recognised in "Other Comprehensive Income" and accumulated in the cash flow hedging reserve. It is anticipated that the sales will take place during 3-6 months of the next financial year, at which time the amount deferred in equity will be reclassified to the standalone statement of profit and loss. Details of movements in hedging reserve is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at beginning of the year (net of taxes)	-	-
Changes in fair value of effective portion of cash flow hedges	315	55
Cumulative gain/(loss) arising on changes in fair value of cash flow hedges reclassified to standalone statement of profit and loss	(312)	(55)
Balance at end of the year (net of taxes)	2	-

Foreign currency risk management

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
INR	161	43	*	62

*Respresent amount less than 1 lac

Foreign currency sensitivity analysis

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

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. There is an increase in loss or equity by Rs 1.61 lakhs where the INR strengthens 1% against the relevant currency. For a 1% weakening of the INR against the relevant currency, there would be a comparable decrease in profit or equity.

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

37 Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 343.44 lakhs (Previous year: Rs. 194 lakhs)

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38 The Company has incorporated a subsidiary namley StudioC Inc on 11 Februaray 2021. The board has appointed Mr Neeraj Rawat as a director. No investment has been made by the company as of the Balance Sheet date.

The Subsidiary Company which is included in consolidation and the Company's holdings therein is as under:

Name of the Subsidiary Company	Country of incorporation	Controllership interest- 31 March 2021
StudioC Inc	United States	100%

39 Capital management

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

Particulars	As at March 31, 2021	As at March 31, 2020
Total debt *	12,928	10,726
Total equity	1,788	1,587
Debt to equity ratio	723%	676%

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

As per our report of even date attached

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

VIKASH GUPTA Digitally signed by VIKASH GUPTA Date: 2021.04.26 21:06:39 +05'30'

Vikash Gupta
Partner
Membership No. 064597

Place: Bengaluru
Date: April 26, 2021

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

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

MITHUN PADAMCHAND SACHETI Digitally signed by MITHUN PADAMCHAND SACHETI Date: 2021.04.26 16:26:46 +05'30'

Mithun Padamchand Sacheti
Managing Director
DIN: 01683592

Place: Chennai
Date: April 26, 2021

SUBRAMANIAM SOMASUNDARAM Digitally signed by SUBRAMANIAM SOMASUNDARAM Date: 2021.04.26 19:00:04 +05'30'

S.Subramaniam
Director
DIN: 01494407

Place: Bengaluru
Date: April 26, 2021

MANOJ BHANAWAT Digitally signed by MANOJ BHANAWAT Date: 2021.04.26 16:27:30 +05'30'

Manoj Bhanawat
Chief Financial Officer

Place: Chennai
Date: April 26, 2021

AHONA DAS GUPTA Digitally signed by AHONA DAS GUPTA Date: 2021.04.26 19:21:32 +05'30'

Ahona Das Gupta
Company Secretary

Place: Chennai
Date: April 26, 2021

CARATLANE TRADING PRIVATE LIMITED

CONSOLIDATED BALANCE SHEET
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2021
ASSETS		
Non-current assets		
Property, plant and equipment	4(i)	2,007
Right-of-use asset	5	4,487
Intangible assets	4(ii)	697
Intangible assets under development		514
Financial assets		
i. Loans receivable	6(i)	936
ii. Other financial assets	6(ii)	3,630
Income tax assets (net)	7	96
Other non-current assets	8	1,868
		14,235
Current assets		
Inventories	9	25,453
Financial assets		
i. Investments	10(i)	1,252
ii. Trade receivables	10(ii)	882
iii. Cash and cash equivalents	10(iii)	495
iv. Other bank balance	10(iv)	67
v. Loan receivables	10(v)	369
vi. Other financial assets	10(vi)	882
Other current assets	11	4,088
		33,488
		47,723
EQUITY AND LIABILITIES		
Equity		
Equity share capital	12	665
Other equity	13	1,123
		1,788
Liabilities		
Non-current liabilities		
Financial liabilities		
i. Borrowings	14(i)	870
ii. Lease liabilities	14(ii)	7,813
iii. Other financial liabilities	14(iii)	304
Provisions	15	401
Other non-current liabilities	16	128
		9,516
Current liabilities		
Financial liabilities		
i. Borrowings	17(i)	11,405
ii. Gold on loan	17(ii)	11,569
iii. Lease liabilities	17(iii)	1,684
iv. Trade payables	17(iv)	
(a) Total outstanding dues of micro and small enterprises		615
(b) Total outstanding dues of creditors other than micro and small enterprises		7,093
v. Other financial liabilities	17(v)	754
Provisions	18	164
Other current liabilities	19	3,135
		36,419
		47,723
Summary of significant accounting policies	**3**	

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

As per our report of even date attached

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

VIKASH GUPTA Digitally signed by VIKASH GUPTA Date: 2021.04.26 20:52:44 +05'30'

Vikash Gupta
Partner
Membership No. 064597

Place: Bengaluru
Date: April 26, 2021

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

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

MITHUN PADAMCHAND SACHETI Digitally signed by MITHUN PADAMCHAND SACHETI Date: 2021.04.26 16:12:16 +05'30'

Mithun Padamchand Sacheti
Managing Director
DIN: 01683592

Place: Chennai
Date: April 26, 2021

SUBRAMANIAM SOMASUNDARAM Digitally signed by SUBRAMANIAM SOMASUNDARAM Date: 2021.04.26 18:48:21 +05'30'

S.Subramaniam
Director
DIN: 01494407

Place: Bengaluru
Date: April 26, 2021

MANOJ BHANAWAT Digitally signed by MANOJ BHANAWAT Date: 2021.04.26 16:18:52 +05'30'

Manoj Bhanawat
Chief Financial Officer

Place: Chennai
Date: April 26, 2021

AHONA DAS GUPTA Digitally signed by AHONA DAS GUPTA Date: 2021.04.26 19:13:11 +05'30'

Ahona Das Gupta
Company Secretary

Place: Chennai
Date: April 26, 2021

CARATLANE TRADING PRIVATE LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
(All amounts in INR lakhs, unless otherwise stated)

Particulars	**Note**	**For the year ended 31 March 2021**
Revenue from operations	20	71,570
Other income	21	734
Total income (I)		**72,304**
Expenses		
Cost of materials consumed		43,097
Purchase of stock-in-trade		10,708
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(3,734)
Employee benefits expense	23	5,792
Finance costs	24	2,068
Depreciation and amortisation expense	25	2,183
Other expenses	26	12,028
Total expenses (II)		**72,142**
'Profit before tax (III) [(I)-(II)]		**162**
Tax expense		
- Current tax		-
- Deferred tax		-
Profit after tax (A)		**162**
Other comprehensive income		
Items that will not be reclassified subsequently to the statement of profit and loss:		
- Remeasurements of employee defined benefit plans		5
- Income-tax on above		-
Items that will be reclassified to the statement of profit and loss:		
- Effective portions of gains and loss on designated portion of hedging instruments in a cash flow hedge		(2)
- Income-tax on above		-
Total other comprehensive income (B)		**3**
Total comprehensive income for the year (A+B)		**165**
Earnings per equity share (par value of Rs. 2 per share)		
Basic earnings per share		0.49
Diluted earnings per share	27	0.48

Significant accounting policies **3**

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

As per our report of even date attached

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

VIKASH GUPTA Digitally signed by VIKASH GUPTA Date: 2021.04.26 20:53:46 +05'30'

Vikash Gupta
Partner
Membership No. 064597

Place: Bengaluru
Date: April 26, 2021

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

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

MITHUN PADAMCHAND SACHETI Digitally signed by MITHUN PADAMCHAND SACHETI Date: 2021.04.26 16:12:35 +05'30'

Mithun Padamchand Sacheti
Managing Director
DIN: 01683592

Place: Chennai
Date: April 26, 2021

SUBRAMANIAM SOMASUNDARAM Digitally signed by SUBRAMANIAM SOMASUNDARAM Date: 2021.04.26 18:48:55 +05'30'

S.Subramaniam
Director
DIN: 01494407

Place: Bengaluru
Date: April 26, 2021

MANOJ BHANAWAT Digitally signed by MANOJ BHANAWAT Date: 2021.04.26 16:18:33 +05'30'

Manoj Bhanawat
Chief Financial Officer

Place: Chennai
Date: April 26, 2021

AHONA DAS GUPTA Digitally signed by AHONA DAS GUPTA Date: 2021.04.26 19:13:55 +05'30'

Ahona Das Gupta
Company Secretary

Place: Chennai
Date: April 26, 2021

CARATLANE TRADING PRIVATE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before tax	**162**
Adjustments for:	
Depreciation and amortisation expenses	2,183
Allowance for doubtful trade receivables	19
Interest income on fixed deposits	(6)
Interest income on financial assets carried at amortised cost	(414)
Deferred rental income and rent equalisation	(89)
Gain on sale of investment (net)	(43)
Finance cost	2,068
Loss on sale of property, plant and equipment	8
Property, plant and equipment wrtitten off	23
Employee stock option expense	36
Operating profit before working capital changes	**3,947**
Change in operating assets and liabilities	
(increase)/ decrease in trade receivables	(66)
(increase)/ decrease in inventories	(5,353)
(increase)/ decrease in loans receivable, financial and other assets	(1,755)
increase/ (decrease) in other financial liabilities	3
increase/ (decrease) in provisions	65
increase/ (decrease) in gold on loan and trade payables	5,237
increase/ (decrease) in other liabilities	1,301
Cash generated from operating activities before taxes	**3,379**
Income taxes paid	129
Net cash intflow from operating activities (A)	**3,508**
B. CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment and intangible assets and intagiable assets under development	(1,563)
Proceeds from sale of property, plant and equipment	89
Purchase/sale of Mutual Fund investments, net	(1,208)
Interest received	5
(Investment)/redemption in other bank balances	(63)
Lease payments received from sub-leases	915
Net cash used in investing activities (B)	**(1,825)**
C. CASH FLOWS FROM FINANCING ACTIVITIES	
Payment towards lease liabilities	(2,385)
Repayment of borrowings	(38,237)
Proceeds from borrowings	40,437
Interest paid	(1,148)
Net cash used in financing activities (C)	**(1,333)**
Net cash increase in cash and cash equivalents (A+B+C)	351
Cash and cash equivalents as at the beginning of the year (Refer note 10(iii))	144
Cash and cash equivalents as at the end of the year (Refer note 10(iii))	**495**

Significant accounting policies 3

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

As per our report of even date attached

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

VIKASH GUPTA Digitally signed by VIKASH GUPTA Date: 2021.04.26 20:54:50 +05'30'

Vikash Gupta
Partner
Membership No. 064597

Place: Bengaluru
Date: April 26, 2021

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

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

MITHUN PADAMCHAND SACHETI Digitally signed by MITHUN PADAMCHAND SACHETI Date: 2021.04.26 16:12:51 +05'30'

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Date: April 26, 2021

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S.Subramaniam
Director
DIN: 01494407

Place: Bengaluru
Date: April 26, 2021

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Manoj Bhanawat
Chief Financial Officer

Place: Chennai
Date: April 26, 2021

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Ahona Das Gupta
Company Secretary

Place: Chennai
Date: April 26, 2021

CARATLANE TRADING PRIVATE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance at the April 1, 2020	665
Changes in equity share capital during the year	-
As at March 31, 2021	**665**

B. Other equity

Particulars	Reserves and surplus			Other comprehensive income		Total
	Securities premium	Stock options outstanding account	Retained earnings	Cash flow hedge reserve	Re-measurement of defined benefit obligation	
Balance as at April 1, 2020	**40,923**	**684**	**(40,553)**	**(0)**	**(132)**	**922**
Premium on shares issued during the year	2	(2)	-	-	-	-
Loss for the year	-	-	162	-	-	162
Employee stock option expense	-	36	-	-	-	36
Other comprehensive income for the year (net of taxes)	-	-	-	(2)	5	3
year				**-**	**-**	**201**
Balance as at March 31, 2021	**40,925**	**718**	**(40,391)**	**(2)**	**(127)**	**1,123**

Significant accounting policies **3**

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

As per our report of even date attached

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

VIKASH GUPTA Digitally signed by VIKASH GUPTA Date: 2021.04.26 20:55:46 +05'30'

Vikash Gupta
Partner
Membership No. 064597

Place: Bengaluru
Date: April 26, 2021

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

CARATLANE TRADING PVT. LTD. CHENNAI 600 006

MITHUN PADAMCHAND SACHETI Digitally signed by MITHUN PADAMCHAND SACHETI Date: 2021.04.26 16:13:09 +05'30'

Mithun Padamchand Sacheti
Managing Director
DIN: 01683592

Place: Chennai
Date: April 26, 2021

SUBRAMANIAM SOMASUNDARAM Digitally signed by SUBRAMANIAM SOMASUNDARAM Date: 2021.04.26 18:50:42 +05'30'

S.Subramaniam
Director
DIN: 01494407

Place: Bengaluru
Date: April 26, 2021

MANOJ BHANAWAT Digitally signed by MANOJ BHANAWAT Date: 2021.04.26 16:18:02 +05'30'

Manoj Bhanawat
Chief Financial Officer

Place: Chennai
Date: April 26, 2021

AHONA DAS GUPTA Digitally signed by AHONA DAS GUPTA Date: 2021.04.26 19:14:48 +05'30'

Ahona Das Gupta
Company Secretary

Place: Chennai
Date: April 26, 2021

1 BACKGROUND

CARATLANE TRADING PRIVATE LIMITED is a company limited by shares, incorporated and domiciled in India. The Company listed its commercial paper on the BSE Ltd. in India on March 13, 2020 with ISN number INE015Y14039. The Company and it's subsidiary (collectively, "the Group") primarily manufactures and trades in jewellery.

The consolidated financial statements for the year ended March 31, 2021 have been approved by the Board of Directors on April 26, 2021.

2 BASIS OF PREPARATION AND PRESENTATION

(i) Statement of compliance

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

(ii) Basis of measurement

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

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

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

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

Judgements
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:
- Note 30 – Leases – whether an arrangement contains a lease
- Note 30 – Lease classification (including the expected general inflation rates)
- Note 33 - Revenue Recognition

Assumptions and estimation
Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending March 31, 2021 is included in the following notes:
- Note 4 (i) – Useful life of the Property, plant and equipment;
- Note 4 (ii) – Useful life of the Intangible assets;
- Note 34 – Contingent liabilities and commitments;
- Notes 31 – Measurement of defined benefit obligations: key actuarial assumptions;
- Note 30 – Leases - Lease term and incremental borrowing rate
- Note 36 – Fair value measurement of financial instruments
- Note 33 - Revenue recognition

Impact of COVID-19 (pendamic)
The Company has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in pricing, impact on leases and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these consolidated financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19.

(iv) Functional and presentation currency
Items included in the consolidated 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 consolidated financial statements are presented in Indian Rupee ("Rs." or "INR"), which is the Company's functional and presentation currency and is rounded-off to the nearest lakhs except when otherwise indicated.

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

- Note 36 - financial instruments.

BASIS OF CONSOLIDATION
The consolidated financial statements relate to the Company and an entity controlled by the Company. Control is achieved when the Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect the entity's returns by using its power over the entity. The consolidated financial statements of the Company and its subsidiariy have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profit or losses. These financial statements are prepared by applying uniform accounting policies in use at the Group. The excess of the Company's portion of equity of the subsidiary as at the date of its investment over the cost of its investment is treated as Capital Reserve on consolidation. The excess of cost to the Company of its investment over The excess of cost to the Company of its investment over the Company's portion of equity as at the date of investment is treated as Goodwill on consolidation. Entities controlled by the Company are consolidated from the date the control commences until the date control ceases. Refer note 38 for further details

3 SIGNIFICANT ACCOUNTING POLICIES

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

(i) Revenue recognition

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

Sale of products

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

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

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

Use of significant judgements in revenue recognition.

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

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

• The Company uses judgement to determine an appropriate consolidated 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 consolidated 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 consolidated statement of profit and loss using effective interest rate method.
Commission income is generally recognized when the related sale is executed as per the terms of the agreement.

The Company has determined that the revenues as disclosed in Note 20 are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

i (a) Other income

Franchisee Signining Fees :Franchisee signining fees is recognised based on the franchisee stores opened during the year which varies based on the location. It excludes taxes remitted to the goverment which are receovered from the Franchisee's. (Note 21)

(ii) Property, plant and equipment

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

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

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

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

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

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of Property, plant and equipment and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of Property, plant and equipment and are recognized in the consolidated 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 category	Management estimate of useful life	Useful life as per schedule II
Furniture and fittings	10 years	10 years
Computer equipment	3 years	3 years
Computer server	6 years	6 years
Office equipments	5 years	5 years
Jewellery Machine	15 years	15 years
Vehicles	5 years	8 years
Mock jewellery	1 year	1 year
Leasehold improvements	4 years	Lease period

(ii) Property, plant and equipment

Depreciation for assets purchased / sold during the period is proportionally charged.

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

(iii) Intangible assets

(a) Internally generated : Research and development

Expenditure on research activities is recognized in the statement of profit and loss as incurred.

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

(iii) Intangibles assets under development (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.

(iv) Impairment

(a) Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through the statement of consolidated 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 Consolidated Statement of Profit and Loss.

(b) Non-financial assets

Intangible assets and property, plant and equipment

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

(v) Leases

Company as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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

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

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

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

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

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

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

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

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

Company as a lessor

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

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

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

Company as a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right of use assets and lease liabilities for most leases i.e. these leases are on consolidated balance sheet.

On transition, the Company has applied following practical expedients:

a. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.

b. Applied the exemption not to recognise right-of-use-assets and liabilities for leases with less than 12 months of lease term on the date of transition.

c. Excluded the initial direct costs from the measurement of the right-of -use-asset at the date of transition.

d. Grandfathered the assessment of which transactions are, or contain leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

e. Relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review.

f. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Company has also applied recognition exemptions of short-term leases to all categories of underlying assets.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. Refer note 30 for details on impact due to Ind AS 116 application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. On transition, the Company recognised a lease receivable measured at the present value of the remaining lease payments receivable. Refer note 30 for details on impact due to Ind AS 116 application.

(vi) Inventories

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

(i) Raw materials are valued at weighted average except solitaires which are valued at the cost of purchase.
(ii) Work-in-progress and finished goods (other than gold) are valued at weighted average cost of production.
(iii) Traded goods are valued at weighted average / cost of purchase.
(iv) Gold is valued on first-in-first-out basis.

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

Unfixed gold is valued at the provisional gold price prevailing on the date of receipt of gold.

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

(vii) Foreign currency transactions and balances

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

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

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

(viii) Taxation

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

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

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

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

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

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

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

(ix) Employee benefits

i) Short term employee benefits

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

ii) Defined contribution plan

All eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and the 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.

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 consolidated statement of profit and loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

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

iv) Compensated absences

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

(x) Employee stock option expense

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

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

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

(xi) Financial instruments

Recognition of financial assets and financial liabilities:

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

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

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

A) Financial assets

Classification of financial assets:

On initial recognition, a financial asset is classified at
(i) Amortized cost
(ii) Fair value through other comprehensive income (FVOCI)
(iii) Fair value through profit and loss (FVTPL)

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

(i) Financial assets carried at amortized cost

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

Financial assets at fair value through comprehensive income

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

Financial assets at fair value through profit and loss

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

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 consolidated statement of profit and loss.

Offsetting

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

(xii) Derivative financial instruments

a. Fair value hedge

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 recorded in Consolidated Statement of Profit and Loss with an adjustment 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.

b. Cash flow hedge

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

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

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

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

The Group has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

(xiii) Provisions and contingent liabilities

a. General

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

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

b. Contingent liabilities

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

c. Onerous contracts

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

(xiv) Cash and cash equivalents

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

(xv) Consolidated cash flow statement

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

(xvi) Borrowing Cost

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

(xvii) Earning per share

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

(xviii) Segment Reporting

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

(xix) Recent pronouncements:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet

(a) Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
(b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
(c) Specified format for disclosure of shareholding of promoters
(d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
(e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
(f) Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

Statement of profit and loss:

(a) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

(All amounts in INR lakhs, unless otherwise stated)

4(i) Property, plant and equipment*

Particulars	Gross carrying amount				Accumulated depreciation				Carrying amount (net)
	As at 1 April, 2020	Additions	Deletions	As at 31 March, 2021	As at 1 April, 2020	Charge for the year	Deletions	As at 31 March, 2021	As at 31 March, 2021
Tangible assets									
Furniture and fittings	766	74	45	795	204	75	26	253	542
Leasehold improvements	977	314	49	1,242	577	177	25	729	513
Computer equipment	506	136	7	635	318	115	1	432	203
Computer server	26	6	-	32	13	3	-	16	16
Mock jewellery	250	-	-	250	250	-	-	250	-
Office equipment	591	164	24	731	311	93	13	391	340
Jewellery machine	275	216	-	491	73	26	-	99	392
Vehicles	19	2	18	3	4	2	4	2	1
Total (A)	**3,410**	**912**	**143**	**4,179**	**1,750**	**491**	**69**	**2,172**	**2,007**

*For details of property plant and equipment charged against borrowings, refer note 17(i)

4(ii) Intangible assets

Particulars	Gross carrying amount				Accumulated amortization				Carrying amount (net)
	As at 1 April, 2020	Additions	Deletions	As at 31 March, 2021	As at 1 April, 2020	Charge for the year	Deletions	As at 31 March, 2021	As at 31 March, 2021
Intangible assets									
Computer software	1,298	501	141	1,658	628	451	118	961	697
Caratlane portal	253	-	14	239	253	-	14	239	-
Total	**1,551**	**501**	**155**	**1,897**	**881**	**451**	**132**	**1,200**	**697**

5 Right of use assets*

Particulars	As at 31 March 2021
Owned assets	
Buildings	
As at April 1	5,354
Transition impact of IndAS 116	-
Additions	1,385
Disposals	-
As at March 31	**6,739**
Accumulated amortisation	
As at April 1	1,011
Charge for the year	1,241
Net carrying value	**4,487**

*Also refer note 30.

6 Financial assets

(i) Loan receivable

Particulars	As at 31 March 2021
Unsecured, considered good	
Security deposits	926
Other deposits	10
Total	**936**

(ii) Other financial assets

Particulars	As at 31 March 2021
Unsecured, considered good	
Lease receivables [refer note 30]	3,630
Total	**3,630**

7 Income tax asset (net)

Particulars	As at 31 March 2021
TDS receivable	96
Total	**96**

8 Other non-current assets

Particulars	As at 31 March 2021
Unsecured, considered good	
Capital advances	87
Deferred rental deposit	138
Balance with revenue authorities	1,643
Total	**1,868**

9 Inventories

Particulars	As at 31 March 2021
Raw materials	5,047
Work-in-progress	486
Finished goods	14,147
Stock-in-trade	5,773
Total	**25,453**

For the year ended 31 March, 2021
(i) The cost of inventories recognised as an expense during the year is INR 50,071 lakhs .
(ii) The cost of inventories recognised as an expense includes INR 15.46 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 11,569 lakhs .
(iv) Refer point 3(vi) under significant accounting policies for mode of valuation.

(All amounts in INR lakhs, unless otherwise stated)

10 Financial assets

(i) Investments

Particulars	As at 31 March 2021
Investment in mutual funds	
Mutual Fund	
411,012 units ICICI Prudential Liquid Fund -Direct-Growth	1,252
Total	**1,252**
Quoted	
Agrregate book value	1,251
Agrregate market value	1,252
Total	**1,252**

(ii) Trade receivables

Particulars	As at 31 March 2021
Unsecured	
Trade receivables, considered good	673
Receivables from related parties (refer note 28)	209
Less: Allowance for doubtful trade receivables	-
Considered good	**882**
Trade receivables, credit imparied	43
Less: Allowance for doubtful trade receivables	(43)
Total	**882**

Age of receivables

Particulars	As at 31 March 2021
- Less than 1 year	884
- 1 to 2 years	37
- 2 to 3 years	3
- 3 to 4 years	1
Total	**925**

Movement in the expected credit loss allowance

Particulars	For the year ended 31 March 2021
Balance at the beginning of the year	24
Provision created during the year	19
Bad debts written off during the year	-
Balance at the end of the year	**43**

(iii) Cash and cash equivalents

Particulars	As at 31 March 2021
Cash on hand	42
Balances with banks	
(i) in current accounts	333
Deposits with original maturity of less than three months	120
Total	**495**

(iv) Other bank balances

Particulars	As at 31 March 2021
Deposits with original maturity of more than 3 months	67
Total	**67**

(v) Loan receivable

Particulars	As at 31 March 2021
Unsecured, considered good	
Security deposits	296
Employee loans	73
Total	**369**

(All amounts in INR lakhs, unless otherwise stated)

10 Financial assets (continued)

(vi) Other financial assets

Particulars	**As at 31 March 2021**
Unsecured, considered good	
Lease receivables [refer note 30]	689
Interest accrued on fixed deposits	2
Other receivable (refer note a. below)	171
Margin money for gold future contracts	20
Total	**882**

a. Balance pertains to amount receivable from franchisee's towards day to day expenditure

11 Other current assets

Particulars	**As at 31 March 2021**
Unsecured, considered good	
Balance with revenue authorities	3,419
Prepayments	205
Contract assets [refer note 33]	197
Other advances	10
Other assets	19
Advance to suppliers	395
Less : Allowance towards advance to supplier	(157)
Total	**4,088**

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12 Share capital

Particulars	No of shares	As at March 31, 2021 Amount (Rs. lakhs)
Authorised share capital		
Equity share of Rs. 2 each with voting rights	4,99,53,234	999
Total authorised share capital	**4,99,53,234**	**999**
Issued, subscribed and fully paid up equity share capital		
Equity share of Rs. 2 each with voting rights	3,32,51,652	665
Total issued share capital	**3,32,51,652**	**665**

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

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

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

During the year the Company granted 70,000 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, 2021
Options outstanding at the beginning of the year	4,88,800
Options granted during the year	70,000
Options forfeited during the year	(5,600)
Options exercised during the year	(1,200)
Outstanding at the end of the year	**5,52,000**
Options exercisable at the end of the year	**4,36,900**
Weighted average exercise price per option (Rs.)	**83.51**

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, 2021 under the Caratlane stock Options Plan was 6 years.

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, 2021
No. of options granted	70,000
Date of grant	January 28, 2021
Vesting period	4 years
Dividend yield (%)	-
Volatility rate (%)	-
Risk free rate (%)	5.97%
Expected life of options (years)	5.5
Weighted average fair value of options per share (Rs.)	474

12 Shares reserved for issue under Employee Stock Option Scheme (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, 2021, the Company recorded employee compensation of Rs 36 lakhs in the consolidated statement of profit and loss towards options granted / forfeited / expired. Refer note 23 for further details.

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

Particulars	As at March 31, 2021	
	No. of shares	Amount Rs. In lakhs
Equity shares with voting rights		
At the beginning of the year	3,32,50,452	665
Add: Issue of shares pursuant to options being exercised by employees	1,200	-
At the end of the year	**3,32,51,652**	**665**

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

Particulars	As at March 31, 2021	
	No. of shares held	% holding
Equity shares with voting rights		
Mr. Mithun Padamchand Sacheti	38,35,327	11.53%
Mr. Siddhartha Padamchand Sacheti	37,00,000	11.13%
Mr. Padamchand Sacheti	16,55,000	4.98%
Titan Company Limited	2,40,36,325	72.29%
Total	**3,32,26,652**	**99.92%**

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13 Other equity

Particulars	**As at March 31, 2021**
Securities premium	40,925
(Amounts received on issue of shares in excess of the par value has been classified as securities premium)	
Stock options outstanding account	718
(Shares granted to employee under employee stock option plan)	
Retained earnings	(40,391)
(Retained earnings comprise of the Company's prior years' losses after tax)	
Other comprehensive income	(129)
(Represents actuarial gain or loss on remeasurement of net defined benefit liability and effective portions of gains and loss on designated portion of hedging instruments in a cash flow hedge)	
Total	**1,122**

14 Financial liabilities

i. Borrowings

Particulars	**As at March 31, 2021**
At amortised cost:	
Secured	
Long-term borrowings (Term loan)*	1,523
Less: Current maturities of long-term borrowings	(653)
Total	**870**

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

The effective interest rate of the term loan was 8.19% per annum and is payable over 48 equal monthly installments begining from 1 June 2019. Current revised rate as per the bank is 5.5% from 22 March 2021. A prepayment of Rs.500 lakhs of the principal amount was made in January 2021.

ii. Lease liabilities

Particulars	**As at March 31, 2021**
Lease liabilities [refer note 30]	7,813
Total	**7,813**

iii. Other financial liabilities

Particulars	**As at March 31, 2021**
Rental deposit [refer note 30]	304
Total	**304**

15 Provisions

Particulars	**As at March 31, 2021**
Provision for gratuity [Refer note 31]	339
Provision for compensated absences [Refer note 31]	62
Total	**401**

16 Other non-current liabilities

Particulars	**As at March 31, 2021**
Deffered rental deposit [refer note 30]	128
Total	**128**

(All amounts in INR lakhs, unless otherwise stated)

17 Financial liabilities

i. Borrowings

Particulars	As at March 31, 2021
Secured	
Bank overdraft and cash credit**	1,000
Commercial paper [refer note 34]	10,405
Total	**11,405**

** Secured against the Company's inventory, receivables and movable fixed assets on pari-passu basis. The interest rate on the overdraft varies from 8.30% to 8.95% per annum and is payable at monthly intervals. The overdraft is payable on demand.

ii. Gold on loan

Particulars	As at March 31, 2021
Secured	
Payable to banks*	11,569
Total	**11,569**

*Secured against inventory and receivables. Includes amounts payable against gold purchased from various banks under gold on loan scheme. The interest rate of the gold on loan varies from 2.25% to 3% per annum as at 31 March 2021 and is payable at monthly intervals. The credit period under the aforesaid arrangement is 180 days from the date of the delivery of gold.

iii. Lease liabilities

Particulars	As at March 31, 2021
Lease liabilities [refer note 30]	1,684
Total	**1,684**

iv. Trade payables

Particulars	As at March 31, 2021
Trade payables	
Outstanding dues of micro and small enterprises [Refer note (a) below]	615
Outstanding dues of creditors other than micro and small enterprises	
- Creditors for goods	4,038
- Creditors for services	3,055
Total	**7,708**

(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 2021. 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, 2021
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	
- Principal	615
- Interest	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-
	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	
	615

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.

(All amounts in INR lakhs, unless otherwise stated)

17 Financial liabilities (continued)

v. Other financial liabilities

Particulars	**As at March 31, 2021**
Capital creditors	12
Security deposits	89
At amortised cost:	
Secured	
Current maturities of long term borrowings*	653
Total	**754**

* Secured against the Corporate Guarantee issued by Titan Company Limited - [refer note 14(i) above]

18 Provisions

Particulars	**As at March 31, 2021**
Provision for gratuity [refer note 31]	71
Provision for compensated absences [refer note 31]	33
Provision for warranty	60
Total	**164**

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

Particulars	**As at March 31, 2021**
Opening balance	50
Provisions made during the year	21
Utilsations / reversed during the year	(11)
Provision at the end of the year	**60**

19 Other current liabilities

Particulars	**As at March 31, 2021**
Deffered rental deposit	23
Statutory dues	314
Contract liability [refer note 33]	274
Advance from franchisee	45
Advance from customers	2,479
Total	**3,135**

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(All amounts in INR lakhs, unless otherwise stated)

20 Revenue from operations

Particulars	For the year ended March 31, 2021
Sale of products	71,525
Other operating revenue	45
Total	**71,570**

Particulars	For the year ended March 31, 2021
Contracted price	84,874
Reduction towards variable componenets	13,349
Revenue recognised	**71,525**

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

21 Other income

Particulars	For the year ended March 31, 2021
Franchisee signining fees	100
Deferred rental income	69
Rent deposit equalization	20
Interest income on financial assets carried at amortised cost [refer Note-30]	414
Profit on sale of property, plant and equipment	-
Net gain on sale of current investments	43
Miscellaneous income	88
Total	**734**

22 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2021
Finished goods	
- Closing stock	14,147
- Opening stock	10,398
	3,749
Work-in-progress	
- Closing stock	486
- Opening stock	323
	163
Stock-in-trade	
- Closing stock	5,773
- Opening stock	5,951
	(178)
Increase in inventory	**3,734**

23 Employee benefits expense

Particulars	For the year ended March 31, 2021
Salaries, wages and bonus	5,251
Contribution to provident and other funds	181
Staff welfare expense	324
Employee share based payment expense	36
Total	**5,792**

(All amounts in INR lakhs, unless otherwise stated)

24 Finance cost

Particulars	For the year ended March 31, 2021
Interest on borrowings	1,144
Interest on lease liabilities	920
Others	4
Total	**2,068**

25 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2021
Depreciation of property, plant and equipment (refer note 4(i))	491
Depriciation of right of use asset (refer note 5)	1,241
Amortisation of intangible assets (refer note 4(ii))	451
Total	**2,183**

26 Other expenses

Particulars	For the year ended March 31, 2021
Advertising	3,510
Agent commission	4,010
Freight and forwarding	1,074
Travelling and conveyance	98
Professional service charges	808
Bank charges	556
Software expenditure	553
Allowance for doubtful trade receivables	19
Power and fuel	144
Communication expenses	99
Rates and taxes	71
Director sitting fee	28
Repairs and maintenance	358
Insurance	36
Payments to auditors (Refer note below)	33
Loss on sale of property, plant and equipment	8
Property, plant and equipment wrtitten off	6
Intangiable assets wrtitten off	23
Miscellaneous expenses	594
Total	**12,028**

Payment to auditors

Particulars	For the year ended March 31, 2021
For statutory audit	22
For tax audit	2
Other matters	8
Reimbursement of out-of-pocket expenses	1
Total	**33**

27 Earnings per share

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

Particulars	For the year ended March 31, 2021
Basic and diluted profit per shares	
Profit after tax	162
Number of weighted average shares considered for calculation of basics earning per share	3,32,51,451
Add : Dilutive effect of stock options	4,99,346
Number of weighted average shares considered for calculation of diluted earning per share	3,37,50,797
Earning per share	
Nominal value of shares (in INR)	2
Earnings per share - Basic (in INR)	**0.49**
Earnings per share - Diluted (in INR)	**0.48**

(All amounts in INR lakhs, unless otherwise stated)

28 Related party disclosures

a) Holding company	:	Titan Company Limited
b) Other related parties	:	Jaipur Gems and Handicrafts Private Limited Starfire Gems Private Limited Freshworks Inc.
c) Key management personnel	:	Mr. Mithun Padamchand Sacheti, Managing Director Mr. Bhaskar Bhat, Non-executive Director Mr. C K Venkataraman (Resigned 20 August 2020), Non-executive Director Mr. Subramaniam Somasundaram, Non-executive Director Mr. Sandeep Anant Kulhalli, Non-executive Director Mr. Ajoy Hiro Chawla, Non-executive Director Mr. Mathrubootham Rathnagirish, Independent Director Ms. Neelam Chhiber, Independent Director Mr. Manoj Bhanawat, Chief Financial Officer Mr. Bharatraj Panchal (Company Secretary) (Resigned 20 August 2020) Ms. Ahona Das (Company Secretary) (w.e.f 25 September 2020)

Enterprises in which Key Management Personnel or relative of Key Management Personnel has significant influence

1 Not A Box,Partnership Firm
2 Freshworks Inc
3 Microgo, LLP
4 Luxury Online Retail Private Limited

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

Name of the related party	Nature of transaction	For the year ended March 31, 2021
Jaipur Gems and Handicrafts Private Limited	Sale of goods	4
	Purchase of goods	5
	Reimbursement of expenses - Payable	5
Mithun Padamchand Sacheti	Director’s remuneration	173
Manoj Bhawat	Chief financial officer remunaration	66
Ahona Das Gupta	Remunaration	7
Starfire Gems Private Limited	Purchase of goods	270
	Rent payable	19
	Reimbursement Payable	1
Freshworks Inc	Services	13
Luxury Online Retail India Private Limited	Reimbursement of expense - payable	9
Titan Company Limited	Purchase of goods	869
	Sale of goods	820
	Services	45
	Purchase of capex	14
	Reimbursement of expenses/services - receivable	49
	Reimbursement of expenses/services - payable	319
	Interest on Corporate guarantee	14
Mathrubootham Rathnagirish	Sitting fees	4
Neelam Chhiber	Sitting fees	12
Bhaskar Bhat	Sitting fees	7
Sandeep Anant Kulhalli	Sitting fees	5
Not A Box	Reimbursement of expenses/services - Receivable	0
Microgo LLP	Reimbursement of expenses/services - Receivable	3

Balances as on balance sheet date

Name of the related party	Nature of transaction	Balance as on March 31, 2021
Starfire Gems Private Limited	Payables	55
Titan Company Limited	Payable	174
	Receivable	209
Not A Box	Expenses reimbursement	6

29 Taxes

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

Particulars	Year ended March 31, 2021
Profit before tax	162
Applicable tax rate	33.38%
Computed tax credit (A)	**54**
Tax effect of unrecognized deferred tax assets (B)	(54)
Total tax expense (A-B)	-

The Group has not recognized a deferred tax asset in the absence of convincing evidence for set off against future taxable income. The Group has cumulative unrecognized income tax losses of Rs. 23,395 lakhs. The Group has generated profit during the current year and losses in the immediately preceding two years,

30 Leases

The company has applied Ind AS 116 with the date of initial application of April 1, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below.

30.1 Amounts recognised in balance sheet

Particulars	Note	As at March 31, 2021
(i) Right-of-use assets	5	
Buildings		4,487
(ii) Lease liabilities		
Non-current	14(ii)	7,813
Current	17(iii)	1,684
		9,497
(iii) Lease receivables		
Non-current	6(ii)	3,630
Current	10(vi)	689
		4,319

30.2 Amounts recognised in the statement of profit and loss

Particulars	Note	As at March 31, 2021
(i) Depriciation and amortisation expense		
Buildings	25	1241
(ii) Interest expense (included in finance cost)	24	920
(iii) Interest income on sub-lease (included in other income)	21	414
(iv) Expense relating to short-term leases	25	347
(v) Expense relating to variable lease payments	25	-
(vi) Rent concessions	25	342

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

(b) The total cash outflow for the year ended March 31, 2021 amounts to Rs. 2,385 lakhs.

30.3 The impact on the statement of profit and loss for the year ended March 31, 2021 is as below:

Particulars	As at March 31, 2021
Rent is lower by	(1,496)
Depreciation is higher by	1,241
Finance cost higher by	920
Other income is higher by	(414)
	251

The Company has discounted lease payments using applicable incremental borrowing rate which is ranging from 7.72% to 9.60% for measuring the

(All amounts in INR lakhs, unless otherwise stated)

31 Employee benefit obligations

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

Particulars	**As at March 31, 2021**
Employee provident fund	173
Employee state insurance	8

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, 2021**
Discount rate (p.a.)	5.30%
Salary escalation rate (p.a.)	
- Corporate	8.50%
- Non-corporate	6.50%
- Manufacturing	3.75%
Attrition rate	
- Corporate	25.83%
- Non-corporate	28.51%
- Manufacturing	10.34%

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

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 31, 2021**
	Discount rate
Defined benefit obligation when a plus 50 bps for respective rates is applied	400
Defined benefit obligation when a minus 50 bps for respective rates is applied	418

	Escalation rate
Defined benefit obligation when a plus 50 bps for respective rates is applied	417
Defined benefit obligation when a minus 50 bps for respective rates is applied	401

Maturity profile	**As at March 31, 2021**
Expected benefits for year 1	86
Expected benefits for year 2	75
Expected benefits for year 3	67
Expected benefits for year 4	59
Expected benefits for year 5	46
Expected benefits in next 5 years	199

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

Particulars	**As at March 31, 2021**
Current service cost	94
Past service cost	-
Interest on net defined benefit liability	18
Total expense charged to the consolidated statement of profit and loss	**112**

31 Employee benefit obligations (continued)

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

Particulars	As at March 31, 2021
Remeasurements during the year	(5)

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

Particulars	As at March 31, 2021
Opening defined benefit liability	322
Expense charged to standalone statement of profit and loss	112
Amount recognised outside the standalone statement of profit and loss account	(5)
Employer contributions	(19)
Closing defined benefit liability	**410**

c) Compensated absences

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

Provision as at March 31, 2021 amounting to Rs. 33 lakhs is presented as current, since the Company based on past experience does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

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

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

Particulars	As at March 31, 2021
Compensated absences	
Non-current	62
Current	33
Total	**95**

32 Segment reporting

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

33 Contract asset and liability

Contract asset represents the amount of goods expected to be received by the Company on account of sales return. Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. Thus, it represents the value of sales the Company estimates to be returned on account of sales return.

Nature	As at March 31, 2021
Contract liability	
Opening balance	143
Less: Provision reversed towards sales returns	(143)
Add: Provision towards sales return (reversed) / created	274
Closing balance	**274**
Contract assets	
Opening balance	100
Less: Provision reversed towards sales returns	(100)
Add: Provision towards sales return (reversed) / created	197
Closing balance	**197**

34 Commercial paper

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

March 31, 2021

Maturities	2-3 Months	4-6 Months
Face value	8,500	2,000
Carrying value	8,433	1,972

The following tables set forth, ratings assigned by credit rating agency at March 31, 2021

Instrument	ICRA	CRISIL
Commerical paper	A1+	-

35 Contingent liabilities and commitments

Contingent liabilities not provided for - Rs. 102.31 lakhs relating to the applicability of rate of tax, computation of tax liability, submission of certain statutory forms.

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

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

36 Financial instruments

36.1 Categories of financial instruments

Financial assets

Particulars	As at March 31, 2021
a. Measured at amortised cost	
- Loans to employees	73
- Security and other deposits	1,232
- Trade receivables	882
- Cash and cash equivalents	495
- Other bank balances	67
- Lease receivables	4,319
-Other financial assets	1,445
Total financial assets measured at amortised cost	**8,513**
Total financial assets	**8,513**

Financial liabilities

Particulars	As at March 31, 2021
a. Measured at fair value through profit or loss ("FVTPL")	
- Gold on loan	11,569
Total financial liabilites measured at FVTPL (a)	**11,569**
b. Measured at amortised cost	
- Borrowings	12,275
- Rental deposits	393
- Trade payables	7,708
- Lease liabilities	9,497
- Other financial liabilities	665
Total financial liabilities measured at amortised cost (b)	**30,538**
Total financial liabilities (a + b)	**42,107**

(All amounts in INR lakhs, unless otherwise stated)

36 Financial instruments (continued)

36.2 (i) Fair value hierarchy

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

Particulars	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value - March 31, 2021				
Financial liabilites				
- Gold loan	11,569	-	-	**11,569**
Total financial assets	**11,569**	**-**	**-**	**11,569**

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

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

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

(ii) Valuation technique used to determine fair value

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

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

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

36.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company deals majorly with creditworthy counterparties and obtains sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. Credit risk arises principally from the Company's receivables from customers. Credit risk on liquid funds is limited because the counterparties are banks. Refer note 10(ii) for the disclosures for trade receivables.

36.4 Liquidity risk

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

Liquidity risk tables

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

Particulars	March 31, 2021
Secured bank overdraft/term loan facility, payable	
- amount used	2,523
- amount unused	7,977
Secured gold on loan facility, payable	
- amount used	11,569
- amount unused	9,931

<u>Liquidity and interest risk tables</u>

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, 2021			
Non-derivative			
- Security deposits	-	393	393
- Borrowings	9,432	2,843	12,275
- Trade payables	5,255	2,453	7,708
- Gold loan	4,319	7,250	11,569
- Lease liabilities	415	9,082	9,497
- Other financial liabilities	175	490	665
Total non-derivative liabilities	**19,596**	**22,511**	**42,107**

36 Financial instruments (continued)

36.5 Market risk

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

Price risk

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

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

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

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

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

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

Cash flow hedges Sell future contracts:

Particulars	Average rate (Per gram)	Quantity of hedge instruments (KGS)	Nominal amount
March 31, 2021	4,476	4	192

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

As at March 31, 2021 the aggregate amount of gains under forward/future contracts is recognised in "Other Comprehensive Income" and accumulated in the cash flow hedging reserve. It is anticipated that the sales will take place during 3-6 months of the next financial year, at which time the amount deferred in equity will be reclassified to the consolidated statement of profit and loss. Details of movements in hedging reserve is as follows:

Particulars	For the year ended March 31, 2021
Balance at beginning of the year (net of taxes)	-
Changes in fair value of effective portion of cash flow hedges	315
Cumulative gain/(loss) arising on changes in fair value of cash flow hedges reclassified to consolidated statement of profit and loss	(313)
Balance at end of the year (net of taxes)	2

Foreign currency risk management

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

(i) The risk management strategy on foreign currency exchange fluctuation arising on account of purchase/ sale of gold is covered in Note 36.5 above

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

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

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

Currency	Liabilities as at March 31, 2021	Assets as at March 31, 2021
INR	161	*

*Respresent amount less than 1 lac

Foreign currency sensitivity analysis

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

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. There is an increase in loss or equity by Rs 1.61 lakhs where the INR strengthens 1% against the relevant currency. For a 1% weakening of the INR against the relevant currency, there would be a comparable decrease in profit or equity.

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

37 Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 343.44 lakhs

(All amounts in INR lakhs, unless otherwise stated)

38 The Company has incorporated a subsidiary namley StudioC Inc on 11 Februaray 2021. The board has appointed Mr Neeraj Rawat as a director. No investment has been made by the company as of the Balance Sheet date.

The Subsidiary Company which is included in consolidation and the Company's holdings therein is as under:

Name of the Subsidiary Company	Country of incorporation	Controllership interest - 31 March 2021
StudioC Inc.	United States	100%

Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:
Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the 2013 Act.

Name of the Entity	Net assets, i.e, total assets minus total liabilities		Consolidated profit	
	As a % of consolidated net assets	Amount	As a % of consolidated profit	Amount
Parent : CARATLANE TRADING PRIVATE LIMITED	100%	1,788	100%	162
Subsidiary: StudioC Inc.	-	-	-	-
Total	**100%**	**1,788**	**100%**	**162**

Name of the Entity	Share in other comprehensive income		Total comprehensive income	
	As % of consolidated other comprehensive income	Amount	As % of total other comprehensive income	Amount
Parent : CARATLANE TRADING PRIVATE LIMITED	100%	3	100%	165
Subsidiary: StudioC Inc.	-	-	-	-
Total	**100%**	**3**	**100%**	**165**

As this is the first year of preparation of consolidated financial statements of the Group, the corresponding numbers for the previous year have not been disclosed.

39 Capital management

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

Particulars	As at March 31, 2021
Total debt *	12,928
Total equity	1,788
Debt to equity ratio	723%

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

As per our report of even date attached

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

VIKASH GUPTA
Digitally signed by VIKASH GUPTA
Date: 2021.04.26 20:58:22 +05'30'

Vikash Gupta
Partner
Membership No. 064597

Place: Bengaluru
Date: April 26, 2021

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

MITHUN PADAMCHAND SACHETI
Digitally signed by MITHUN PADAMCHAND SACHETI
Date: 2021.04.26 16:13:46 +05'30'

Mithun Padamchand Sacheti
Managing Director
DIN: 01683592

Place: Chennai
Date: April 26, 2021

SUBRAMANIAM SOMASUNDARAM
Digitally signed by SUBRAMANIAM SOMASUNDARAM
Date: 2021.04.26 18:51:40 +05'30'

S.Subramaniam
Director
DIN: 01494407

Place: Bengaluru
Date: April 26, 2021

MANOJ BHANAWAT
Digitally signed by MANOJ BHANAWAT
Date: 2021.04.26 16:14:37 +05'30'

Manoj Bhanawat
Chief Financial Officer

Place: Chennai
Date: April 26, 2021

AHONA DAS GUPTA
Digitally signed by AHONA DAS GUPTA
Date: 2021.04.26 19:15:37 +05'30'

Ahona Das Gupta
Company Secretary

Place: Chennai
Date: April 26, 2021

CARATLANE TRADING PVT. LTD. CHENNAI 600 006