



INDEPENDENT AUDITOR'S REPORT

To
Board of Directors
STS Jewels Inc. ("The Company")

Opinion

We have been appointed to audit the special purpose financial statement of the STS Jewels Inc. ("The Company") being subsidiary of the Vaibhav Global Limited ("The Parent") as per the Indian Accounting Standards ("Ind AS") We have audited the special purpose financial statements of the Company, which comprise the balance sheet as at March 31, 2023, and statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended March 31, 2023, and notes to the special purpose financial statements, including a summary of significant accounting policies. In our opinion, the accompanying special purpose financial statements give a true and fair view of the financial position of the Company as at March 31, 2023, and of its financial performance and its cash flows for the year ended March 31, 2023 in accordance with the Indian Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

Management is responsible for the preparation of these special purpose financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

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



Restriction on Use and Distribution

The special purpose financial statements dealt by this report have been prepared for the use in connection with preparation of the consolidated financial statement of the group and for submission of financials to the appropriate authority in India and for no other purpose. These financial statements have been prepared to comply with the requirements of Ind AS only. We are not responsible for non-compliance of any local laws of the country in which the Company is incorporated.

The special purpose financial statements are not the statutory financial statements of the Company and accordingly the presentation and disclosures to the extent applicable for that purpose have been included in these special purpose financial statements by the management.

We have no obligation, responsibility, liability in respect of this report as Statutory Auditors of the Company and nothing in this report, nor anything said or done in course of or in connection with the services that are subject to this report, will extend any duty or care since we are not the statutory auditors of the Company.

As a result, these Accounts are not a complete set of financial statements in accordance with the accounting principles generally accepted in India and should not be distributed to anyone other than the intended purpose.

For B Khosla & Co.

Chartered Accountants

FRN: 000205C

Sandeep Mundra

Partner

Membership No.: 075482

UDIN: 23075482BGWNGA1842

Place: Jaipur

Date: May 15, 2023

STS Jewels Inc.**Notes to special purpose financial statements for the year ended 31 March 2023****(All amount in USD, except share data and as stated otherwise)****1. Reporting entity**

STS Jewels Inc. is a company domiciled in USA and registered as a Private Company limited by shares under the Business Corporation Law of the State of New York.

The Company is engaged in selling jewellery to department stores, TV channels, others in USA on wholesale basis and other Company companies.

2. Basis of preparation**a. Statement of compliance**

These special purpose Ind AS Financial Statements (hereinafter referred to as “financial statements”) have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) of the Companies Act, 2013, as applicable to the financial statements. These financial statements have been prepared on the request of the Holding Company to comply with FEMA ODI regulations for filing Annual Performance Report (“APR”) of the Company with regulatory authorities in India.

As the Company is not domiciled in India and hence not registered under Companies Act, 2013 (“Act”), these financial statements do not reflect all the disclosure required under the Act.

Details of the Company’s accounting policies are included in Note 3.

b. Functional and presentation currency

The financial statements are presented in United States Dollar (USD) which is also the Company’s functional currency.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items

Items	Measurement basis
Liabilities for equity - settled share-based payment arrangements	Fair value

d. Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

STS Jewels Inc.**Notes to special purpose financial statements for the year ended 31 March 2023****(All amount in USD, except share data and as stated otherwise)****Assumption and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 is included in the following notes:

- Note 27 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e. Measurement of fair value

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

- a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.
- c) Cost approach – Replacement cost method.

STS Jewels Inc.**Notes to special purpose financial statements for the year ended 31 March 2023****(All amount in USD, except share data and as stated otherwise)**

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

f. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

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

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. Significant accounting policies**a. Foreign currency****i. Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currencies of Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.

STS Jewels Inc.**Notes to special purpose financial statements for the year ended 31 March 2023**

(All amount in USD, except share data and as stated otherwise)

b. Financial Instruments**i. Recognition and initial measurement**

Trade receivables are initially recognised at transaction price when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. However, trade receivables that do not contain a significant financing component are measured at transaction price.

ii. Classification and subsequent measurement**Financial assets**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI; or
- 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.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;

STS Jewels Inc.**Notes to special purpose financial statements for the year ended 31 March 2023****(All amount in USD, except share data and as stated otherwise)**

- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on de-recognition is recognised in statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on de-recognition is also recognised in statement of profit and loss.

iii. De-recognition**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset 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 recognised 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 derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises 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 recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

iv. Offsetting

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

c. Property, plant and equipment

STS Jewels Inc.**Notes to special purpose financial statements for the year ended 31 March 2023****(All amount in USD, except share data and as stated otherwise)****i. Recognition and measurement**

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

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Estimated useful life (In years)
Furniture and fixtures	5
Office equipment	5
Computers	5

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

d. Other intangible assets**Other intangible assets****i. Recognition and measurement**

Intangible assets include computer software. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses

ii. Subsequent expenditure

STS Jewels Inc.**Notes to special purpose financial statements for the year ended 31 March 2023****(All amount in USD, except share data and as stated otherwise)**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred.

iii. Amortisation

Amortisation 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 amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Estimated useful life (in years)
Software	5

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item-by-item basis.

f. Impairment**i. Impairment of financial instruments**

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, short term deposits with banks, trade receivables and investment securities. The cash resources of the Company are invested banks and liquid funds after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counterparties.

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company follows 'simplified approach'. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss. This amount is reflected in a separate line in the Statement of Profit and Loss as an impairment gain or loss. In balance sheet ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic

STS Jewels Inc.**Notes to special purpose financial statements for the year ended 31 March 2023****(All amount in USD, except share data and as stated otherwise)**

prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or Company of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Employee benefits**i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plan

A defined contribution plan is a plan under which an entity pays fixed contributions and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions administered fund/scheme. Such contributions are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

h. Provision (other than for employee benefits)

Provisions are recognised 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, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

STS Jewels Inc.**Notes to special purpose financial statements for the year ended 31 March 2023****(All amount in USD, except share data and as stated otherwise)**

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 recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible.
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

i. Revenue**Sale of products**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods and services rendered is net of variable consideration on account of various discounts and scheme offered by the Company as part of the contract with customers. Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from sales of goods is recognised on output basis measured by units delivered, number of transactions etc.
- Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which coincides with the performance obligation under the contract with the customer.
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Taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from net revenue in the statements of profit and loss.

j. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest

STS Jewels Inc.**Notes to special purpose financial statements for the year ended 31 March 2023****(All amount in USD, except share data and as stated otherwise)**

income reverts to the gross basis.

k. Tax Expense

Tax Expense comprises current and deferred tax.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. “

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

STS Jewels Inc.**Notes to special purpose financial statements for the year ended 31 March 2023****(All amount in USD, except share data and as stated otherwise)****m. Cash and short-term deposits**

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

n. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period 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.

o. Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the stakeholders of the Company by the weighted average number of common stock outstanding during the period.

Diluted EPS amounts are computed by dividing the net profit attributable to the stakeholders of the Company by the weighted average number of common stock considered for deriving basic earnings per share and also the weighted average number of common stock that could have been issued upon conversion of all dilutive potential common stock. The diluted potential common stock is adjusted for the proceeds receivable had the common stock been actually issued at fair value (i.e. the average market value of the outstanding common stock). Dilutive potential common stock is deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential common stock is determined independently for each period presented

p. Operating Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

q. Recent Indian Accounting Standards (Ind AS)

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

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

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if

STS Jewels Inc.**Notes to special purpose financial statements for the year ended 31 March 2023****(All amount in USD, except share data and as stated otherwise)**

accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes – The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

STS Jewels Inc.**Special purpose balance sheet as at 31 March 2023****(All amount in USD, except share data and as stated otherwise)**

Particulars	Notes No.	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,235	6,943
Other intangible assets	5	16,146	-
Non-current tax assets (net)	6	3,226	-
Deferred tax assets (net)	24	-	69,437
Total non-current assets		22,607	76,380
Current assets			
Inventories	7	7,279,883	5,079,124
Financial assets			
Trade receivables	8	3,885,146	4,801,934
Cash and cash equivalents	9	17,791	22,000
Others	10	176,403	788,776
Other current assets	11	53,489	8,840
Total current assets		11,412,713	10,700,674
Total assets		11,435,320	10,777,054
EQUITY AND LIABILITIES			
Equity			
Share capital	12A	500,000	500,000
Other equity	12B	5,203,625	4,355,263
Total equity		5,703,625	4,855,263
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	13	-	-
- Total outstanding dues of micro enterprises and small enterprises; and		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,413,997	5,612,215
Other financial liabilities	14	295,951	121,198
Other current liabilities	15	11,876	12,842
Current tax liabilities (net)		9,870	175,536
Total current liabilities		5,731,695	5,921,791
Total liabilities		5,731,695	5,921,791
Total equity and liabilities		11,435,320	10,777,054
Significant accounting policies	3		

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

As per our attached report of even date

For B Khosla & Co.

Chartered Accountants

ICAI Firm registration number: 000205C

For and on behalf of STS Jewels Inc.**CA Sandeep Mundra**

Partner

Membership No.: 075482

Place: Jaipur

Date: 15 May 2023

Nitin Panwad

Director

Place: Jaipur

Date: 15 May 2023

STS Jewels Inc.**Special purpose statement of profit and loss for the year ended 31 March 2023****(All amount in USD, except share data and as stated otherwise)**

Particulars	Notes No.	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	16	13,340,648	18,002,810
Other income	17	2,985	28,791
Total income		13,343,633	18,031,601
EXPENSES			
Purchases of stock-in-trade	18	13,593,563	18,457,172
Changes in inventories of stock-in-trade	19	(2,200,759)	(2,961,405)
Employee benefits expense	20	767,698	506,196
Finance costs	21	4,139	4,193
Depreciation and amortization expense	22	9,090	7,857
Other expenses	23	81,874	63,493
Total expenses		12,255,605	16,077,506
Profit before tax		1,088,028	1,954,095
Tax expense	24		
Current tax		170,229	410,360
Deferred tax		69,437	-
Total tax expense		239,666	410,360
Profit for the year (A)		848,362	1,543,735
Other comprehensive income			
<i>Items that will be reclassified to profit or loss</i>		-	-
<i>Items that will not be reclassified to profit or loss</i>		-	-
Total other comprehensive income for the year, net of tax (B)		-	-
Total comprehensive income for the year (A+B)		848,362	1,543,735
Earnings per share (common stock)			
Basic and diluted	25	4,241.81	7,718.68
Significant accounting policies	3		

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

As per our attached report of even date

For B Khosla & Co.**Chartered Accountants**

ICAI Firm registration number: 000205C

CA Sandeep Mundra*Partner*

Membership No.: 075482

Place: Jaipur

Date: 15 May 2023

For and on behalf of STS Jewels Inc.**Nitin Panwad***Director*

Place: Jaipur

Date: 15 May 2023

STS Jewels Inc.**Special purpose statement of changes in equity for the year ended 31 March 2023**

(All amount in USD, except share data and as stated otherwise)

A. Share capital:

Balance as at 1 April 2022	Changes in capital due to prior period errors	Restated balance as at 1 April 2022	Changes in capital during the year	Balance as at 31 March 2023
500,000	-	-	-	500,000

Balance as at 1 April 2021	Changes in capital due to prior period errors	Restated balance as at 1 April 2021	Changes in capital during the year	Balance as at 31 March 2022
500,000	-	-	-	500,000

B. Other equity

For the year ended 31 March 2023:

Particulars	Reserves and surplus		Total
	Securities premium	Retained earnings	
Balance as at 01 April 2022	2,490,357	1,864,905	4,355,263
Profit of the year	-	848,362	848,362
Other comprehensive income (net of tax)	-	-	-
Balance as at 31 March 2023	2,490,357	2,713,268	5,203,625

For the year ended 31 March 2022:

Particulars	Reserves and surplus		Total
	Securities premium	Retained earnings	
Balance as at 01 April 2021	2,490,357	321,170	2,811,527
Profit of the year	-	1,543,735	1,543,735
Other comprehensive income (net of tax)	-	-	-
Balance as at 31 March 2022	2,490,357	1,864,905	4,355,263

Significant accounting policies

3

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

As per our attached report of even date

For B Khosla & Co.

Chartered Accountants

ICAI Firm registration number: 000205C

For and on behalf of STS Jewels Inc.**CA Sandeep Mundra**

Partner

Membership No.: 075482

Nitin Panwad

Director

Place: Jaipur

Date: 15 May 2023

Place: Jaipur

Date: 15 May 2023

STS Jewels Inc.
Special purpose statement of cash flows for the year ended 31 March 2023
(All amount in USD, except share data and as stated otherwise)

Particulars	For year ended 31 March 2023	For year ended 31 March 2022
A. Cash flow from operating activities		
Profit for the year	1,088,028	1,954,095
Adjustments for:		
Depreciation and amortization expense	9,090	7,857
Finance costs	4,139	4,193
Operating profit before working capital changes	1,101,257	1,966,146
Working capital adjustments:		
(Increase) in trade receivables	916,788	(1,806,084)
(Increase)/decrease in inventories	(2,200,759)	(2,961,405)
(Decrease) in other assets	567,724	194,406
Increase in trade payables, provisions, other current liabilities	(24,432)	2,895,038
Cash generated from operating activities	360,578	288,101
Income taxes paid (net)	(339,121)	(298,030)
Net cash (used)/generated from operating activities (A)	21,457	(9,929)
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(21,528)	(1,947)
Net cash used in investing activities (B)	(21,528)	(1,947)
C. Cash flows from financing activities		
Repayment of Borrowings	-	-
Interest paid	(4,139)	(4,193)
Net cash used in financing activities (C)	(4,139)	(4,193)
Net decrease in cash and cash equivalents (A+B+C+D)	(4,209)	(16,069)
Opening balance of cash and cash equivalents	22,000	38,069
Closing balance of cash and cash equivalents	17,791	22,000
Cash and cash equivalent comprises (refer note 9)		
Balance with banks - current accounts	11,138	19,803
Cash on hand	6,653	2,197
	17,791	22,000

Significant accounting policies

3

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

- ¹ The Statement of cash flows has been prepared under the 'indirect method' as set out in Ind AS-7 "statement of cash flows", as specified under section 133 of the Companies Act, 2013.

For B Khosla & Co.
Chartered Accountants
ICAI Firm registration number: 000205C

For and on behalf of STS Jewels Inc.

CA Sandeep Mundra
Partner
Membership No.: 075482
Place: Jaipur
Date: 15 May 2023

Nitin Panwad
Director
Place: Jaipur
Date: 15 May 2023

4 Property plant and equipment
Reconciliation of carrying amount

Particulars	Furniture and fixtures	Office equipment	Computers	Total
Balance as at 01 April 2021	55,689	8,054	18,600	82,343
Additions	-	-	1,947	1,947
Written off /disposals	-	-	-	-
Balance at 31 March 2022	55,689	8,054	20,547	84,290
Additions	-	-	-	-
Written off /disposals/adjustments	-	-	(1,107)	(1,107)
Balance at 31 March 2023	55,689	8,054	19,440	83,183
Accumulated depreciation				
Balance as at 01 April 2021	49,117	4,837	15,538	69,492
Depreciation charge for the year	5,335	1,119	1,402	7,857
Balance at 31 March 2022	54,452	5,956	16,940	77,348
Depreciation charge for the year	1,237	1,119	1,351	3,707
Written off /disposals/adjustments	-	-	(1,107)	(1,107)
Balance at 31 March 2023	55,689	7,075	17,184	79,948
Carrying amount (net)				
Balance as at 31 March 2022	1,237	2,098	3,607	6,943
Balance as at 31 March 2023	-	979	2,256	3,235

5 Other intangible assets

Particulars	Softwares
Balance as at 01 April 2021	5,042
Additions	-
Written off /disposals	-
Balance at 31 March 2022	5,042
Additions	21,528
Written off /disposals	-
Balance at 31 March 2023	26,570

Accumulated depreciation

Balance as at 01 April 2021	5,042
Depreciation charge for the year	-
Balance at 31 March 2022	5,042
Depreciation charge for the year	5,382
Balance at 31 March 2023	10,424

Carrying amount (net)	
Balance as at 31 March 2022	-
Balance as at 31 March 2023	16,146

STS Jewels Inc.

Notes to special purpose financial statements for the year ended 31 March 2023

(All amount in USD, except share data and as stated otherwise)

6 Non - current tax assets (net)

Particulars	31 March 2023	31 March 2022
Deposits with tax authorities	3,226	-
	<u>3,226</u>	<u>-</u>

7 Inventories

(As per Inventory taken, valued and certified by the management) (refer accounting policy)

Particulars	31 March 2023	31 March 2022
Finished Goods (includes goods in transit)	7,279,883	5,079,124
	<u>7,279,883</u>	<u>5,079,124</u>

8 Financial assets - trade receivables

Particulars	31 March 2023	31 March 2022
Unsecured, considered good	3,885,146	4,795,703
Unsecured, which have significant increase in credit risk	-	10,717
Unsecured, credit impaired	-	5,782
Loss allowance	-	(10,268)
	<u>3,885,146</u>	<u>4,801,934</u>

The movement in change in allowance for expected credit loss and credit impairment:

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	10,268	53,249
Bad debts booked/amount received during the year	(10,268)	-
Provision for bad debts reversed during the year	-	(42,981)
Balance at the end of the year	<u>-</u>	<u>10,268</u>

Trade receivables ageing schedule as on 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	60,548	3,526,770	237,405	60,424	-	-	3,885,146
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	<u>60,548</u>	<u>3,526,770</u>	<u>237,405</u>	<u>60,424</u>	<u>-</u>	<u>-</u>	<u>3,885,146</u>
Less: Loss allowance							<u>-</u>
							<u>3,885,146</u>

Trade receivables ageing schedule as on 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	66,439	4,674,459	32,544	22,261	-	-	4,795,703
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	10,717	-	-	10,717
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	5,782	-	-	5,782
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	<u>66,439</u>	<u>4,674,459</u>	<u>32,544</u>	<u>38,760</u>	<u>-</u>	<u>-</u>	<u>4,812,202</u>
Less: Loss allowance							<u>(10,268)</u>
							<u>4,801,934</u>

9 Cash and cash equivalent

Particulars	31 March 2023	31 March 2022
Cash and cash equivalents		
Balance with banks - current accounts	11,138	19,803
Cash on hand	6,653	2,197
	<u>17,791</u>	<u>22,000</u>

10 Financial Assets - others

Particulars	31 March 2023	31 March 2022
Current		
Other receivables	176,403	788,776
	<u>176,403</u>	<u>788,776</u>

11 Other current assets

Particulars	31 March 2023	31 March 2022
Unsecured, considered good		
Advances other than capital advances		
Advances to suppliers	49,086	-
Others		
Prepaid expenses	4,403	8,840
	<u>53,489</u>	<u>8,840</u>

12A Share capital

Particulars	31 March 2023	31 March 2022
Authorised capital		
200 shares of No par value (31 March 2022: 200 common stock of No par value)	500,000	500,000
	500,000	500,000
Issued, subscribed and fully paid-up capital		
200 shares of No par value (31 March 2022: 200 common stock of No par value)	500,000	500,000
Total issued, subscribed and fully paid-up share capital	500,000	500,000

Reconciliation of number of capital outstanding at the beginning and at the end of financial year:

Common stock of no par value issued, subscribed and fully paid	31 March 2023		31 March 2022	
	No of common stock	Amount	No of common stock	Amount
Balance at the beginning of the year	200	500,000	200	500,000
Common stock issued during the year	-	-	-	-
Balance at the end of the year	200	500,000	200	500,000

b) Terms / rights attached to shares

The Company has one class of common stock of no par value. Each stakeholder is eligible in the event of liquidation to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their stake.

c) Details of promoter holding more than 5% capital in the Company:

Name of the stakeholder	31 March 2023		31 March 2022	
	% of Holding	No. of common stock	% of Holding	No. of common stock
Vaibhav Global Limited	100	200	100	200

d) The ultimate holding company is Brett Enterprises Private Limited.

e) There are no bonus stock, stock issued for consideration other than cash or shares bought back during the period of five years immediately preceding the reporting date.

f) There is no change in promoter stakeholding during current year and previous year.

12B Other equity

Particulars	31 March 2023	31 March 2022
Reserves and surplus		
Retained earnings :		
Opening balance	1,864,905	321,170
Net profit for the year	848,362	1,543,735
Closing balance	2,713,268	1,864,905
Securities premium:		
Opening balance	2,490,357	2,490,357
Movement during the year	-	-
Closing balance	2,490,357	2,490,357
Total (a+b)	5,203,625	4,355,263

12C Nature of reserves**a) Retained earnings**

Retained earnings comprises undistributed earnings after taxes.

b) Securities premium

Amounts received on issue of common stocks in excess of the par value has been classified as securities premium, net of utilisation.

13 Trade payables

Particulars	31 March 2023	31 March 2022
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	5,413,997	5,612,215
	<u>5,413,997</u>	<u>5,612,215</u>

Trade payables ageing schedule as on 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	1,560,902	3,715,759	25,592	11,285	-	5,313,538
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	<u>1,560,902</u>	<u>3,715,759</u>	<u>25,592</u>	<u>11,285</u>	<u>-</u>	<u>5,313,538</u>
Accrued expenses						100,459
						<u>5,413,997</u>

Trade payables ageing schedule as on 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	54,764	5,447,021	28,241	3,892	-	5,533,918
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	<u>54,764</u>	<u>5,447,021</u>	<u>28,241</u>	<u>3,892</u>	<u>-</u>	<u>5,533,918</u>
Accrued expenses						78,297
						<u>5,612,215</u>

14 Other financial liabilities

Particulars	31 March 2023	31 March 2022
Employee benefit payables	27,207	27,434
Other payables	268,744	93,765
	<u>295,951</u>	<u>121,198</u>

15 Other current liabilities

Particulars	31 March 2023	31 March 2022
Statutory dues payable	11,876	12,842
	<u>11,876</u>	<u>12,842</u>

16 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	13,340,648	18,002,810
	<u>13,340,648</u>	<u>18,002,810</u>

17 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Miscellaneous income	2,985	28,791
	<u>2,985</u>	<u>28,791</u>

18 Purchases of stock-in-trade

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Purchases of stock-in-trade	13,593,563	18,457,172
	13,593,563	18,457,172

19 Changes in inventories of stock-in-trade

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventory at the beginning of the year		
Stock-in-trade	5,079,124	2,117,719
Inventory at the end of the year		
Stock-in-trade	7,279,883	5,079,124
	(2,200,759)	(2,961,405)

20 Employee benefits expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	679,139	440,733
Contribution to employee benefits funds	45,063	39,606
Share based payments to employees*	31,733	14,489
Staff welfare expenses	11,763	11,368
	767,698	506,196

* ESOP's to the employees of Company has been issued by the Holding Company and proportionate expenses have been allocated by the issuing Holding Company.

21 Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Other borrowing costs	4,139	4,193
	4,139	4,193

22 Depreciation and amortisation expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment	3,708	7,857
Amortisation of intangible assets	5,382	-
	9,090	7,857

23 Other expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Rent, Rates and taxes	19,994	20,519
Insurance	2,400	2,400
Travelling and conveyance	6,216	5,833
Legal and professional fees	22,931	1,685
Postage and telephone	917	3,184
Packing and forwarding	24,764	14,945
Donation	3,000	6,000
Miscellaneous expenses	1,652	8,926
	81,874	63,493

24 Tax expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A Tax expense charged to statement of profit and loss		
Current tax	170,229	410,360
Deferred tax	69,437	-
	239,666	410,360

B Reconciliation of effective tax rate

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	%	Amount	%	Amount

STS Jewels Inc.**Notes to special purpose financial statements for the year ended 31 March 2023****(All amount in USD, except share data and as stated otherwise)**

Profit before tax		1,088,028		1,954,095
Tax expense as per statutory income tax rate	21.00%	228,486	21.00%	410,360
Other	1.03%	11,180	-	-
Tax expenses	22.03%	239,666	21.00%	410,360

C Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	31 March 2023	31 March 2022
Unused tax losses	-	69,437
	-	69,437

D Movement in temporary differences

Particulars	Unused tax losses	Total
Balance as at 01 April 2021	69,437	69,437
Recognised in profit and loss during the year	-	-
Balance as at 31 March 2022	69,437	69,437
Recognised in profit and loss during the year	(69,437)	(69,437)
Balance as at 31 March 2023	-	-

25 Earnings per share (common stock)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Basic and diluted earning per share (common stock)		
The calculation of profit attributable to stakeholders and weighted average numbers of common stock outstanding for purpose of basic and diluted earning per share calculation are as follows		
i. Profit for the year, attributable to stakeholders	848,362	1,543,735
ii. Weighted average number of common stock for basic and diluted EPS		
Opening balance	200	200
Effect of share options exercised	-	-
Weighted average number of common stock (diluted) for the year	200	200
iii. Basic and diluted earning per share (common stock)	4,242	7,719

26 Share-based payments

The expense recognised for employee services received during the year is shown in the following table:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Expense arising from equity-settled share-based payment transactions	31,733	14,489

27 Contingent liabilities and commitments

There are no contingent liabilities and capital commitments at the current and previous year end.

28 Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance for which discrete financial information is available.

The Company is engaged in selling of Jewelry which is the primary business segment based on the nature of products traded and sold. In view of same, the Company has only one reportable segment viz 'selling of Jewelry' as required by Ind AS 108 on 'Operating Segments'.

The Company sales its product majorly in two geographies: America (including Canada), United Kingdom (including some parts of Europe) and others.

Geography	Year ended 31 March 2023	Year ended 31 March 2022
United States of America (USA)	10,232,972	13,534,351
United Kingdom (UK)	465,876	1,410,707
Others	2,641,800	3,057,751
Total	13,340,648	18,002,810

The Company has following customers for the financial year ended March 31, 2023 and March 31, 2022 that accounted for 10% or more of total sale of goods:

Particulars	% of total sale of goods	Year ended 31 March 2023	% of total sale of goods	Year ended 31 March 2022
Customer A	75.68%	10,096,417	74.73%	13,453,661
Customer B	11.61%	1,548,576	15.17%	2,730,685

29 Related party transactions

i) List of related parties (with reference to holding company):

A. Ultimate Holding Company

Brett Enterprises Private Limited

B. Immediate Holding Company

Vaibhav Global Limited

C. Fellow subsidiary companies with whom transactions have occurred:

- 1 STS Global Supply Limited, Hong Kong (formerly STS Gems Limited)
- 2 STS Global Limited, Thailand (formerly STS Gems Thai Limited)
- 3 Shop LC GmbH, Germany
- 4 Shop LC Global Inc, USA
- 5 ShopTJC Limited, UK

D. Director:

- 1 Mr. Sunil Agrawal
- 2 Mr. Vineet Ganeriwala (upto 28th October, 2022)
- 3 Mr. Nitin Panwad (from 28th October, 2022)

ii) (a) Details of related party transactions:

Type of transaction	Vaibhav Global Limited, India	Shop TJC Limited	Shop LC Global Inc.	STS Global Supply Limited, Hong Kong	STS Global Limited, Thailand	Shop LC GmbH, Germany	Total
Transactions during the year ending 31 March 2023:							
Sale of goods	1,548,576	465,876	10,096,417	655,607	-	164,431	12,930,908
Purchase of goods	1,793,907	-	-	43,295	192,098	-	2,029,300

(a) Details of related party transactions (continued):

Type of transaction	Vaibhav Global Limited, India	Shop TJC Limited	Shop LC Global Inc.	STS Global Supply Limited, Hong Kong	STS Global Limited, Thailand	Shop LC GmbH, Germany	Total
Transactions during the year ending 31 March 2022:							
Sale of goods	2,730,685	1,343,597	13,453,661	-	13,964	151,962	17,693,867
Purchase of goods	3,455,424	-	-	-	1,308,406	-	4,763,830

(b) Details of balances with related party:

Type of transaction	Vaibhav Global Limited, India	Shop TJC Limited	Shop LC Global Inc.	STS Global Supply Limited, Hong Kong	STS Global Limited, Thailand	Shop LC GmbH, Germany	Total
Balances as at 31 March 2023:							
Amount receivable	458,112	133,308	2,080,491	655,607	13,964	349,121	3,690,603
Amount payable	1,523,462	-	-	21,351	508,289	36,040	2,089,142

Type of transaction	Vaibhav Global Limited, India	Shop TJC Limited	Shop LC Global Inc.	STS Global Supply Limited, Hong Kong	STS Global Limited, Thailand	Shop LC GmbH, Germany	Total
Balances as at 31 March 2022:							
Amount receivable	1,538,901	737,895	3,017,058	8,991	13,964	153,887	5,470,695
Amount payable	1,999,382	70,445	-	19,728	1,255,675	-	3,345,230

30 Fair value measurements**(i) Financial assets and liabilities:**

The accounting classification of each category of financial instruments, and their carrying amounts are set out below:

As on 31 March 2023	Note No.	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial assets					
Trade receivables	8	-	-	3,885,146	3,885,146
Cash and cash equivalents	9	-	-	17,791	17,791
Other current financial asset	10	-	-	176,403	176,403
		-	-	4,079,341	4,079,341
Financial liabilities					
Trade payables	13	-	-	5,413,997	5,413,997
Other current financial liabilities	14	-	-	295,951	295,951
		-	-	5,709,948	5,709,948

As on 31 March 2022	Note No.	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial assets					
Cash and cash equivalents	9	-	-	22,000	22,000
Loans- current	10	-	-	-	-
Trade receivables	8	-	-	4,801,934	4,801,934
Other current financial asset	10	-	-	788,776	788,776
		-	-	5,612,710	5,612,710
Financial liabilities					
Trade payables	13	-	-	5,612,215	5,612,215
Other current financial liabilities	14	-	-	121,198	121,198
		-	-	5,733,413	5,733,413

(ii) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

a) Level 1:

Level 1 hierarchy includes financial instrument measured using quoted prices. This includes listed equity instruments that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period end.

b) Level 2:

If inputs required to fair value an instrument other than quoted prices included within Level 1 are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices), the instruments are included in Level 2.

c) Level 3:

If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3.

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Trade receivables, cash and cash equivalents, loans, other current financial assets, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.

31 Employee benefit obligations

Defined Contribution Plan

The Company has contributed USD 45,063 (31 March 2022: USD 39,606) towards defined contribution plans.

32 Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in respective notes.

Risk management framework

The Company being driven by the market forces, its businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to, in the course of their daily operations.

The risk management policies cover areas around all identified business risks including commodity price risk etc., Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company has in place risk management processes in line with the Company's policy. Each significant risk has an owner, who coordinates the Risk Management Process.

The risk management framework aims to:

- Better understand our risk profile;
- Understand and better manage the uncertainties which impact our performance;
- Contribute to safeguarding Company value and interest of various stakeholders;
- Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk;
- Improve compliance with good corporate governance guidelines and practices as well as laws and regulations, and
- Improve financial returns

Treasury management

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury operates as per the delegation of authority from the Board. Day-to-day treasury operations are managed by Company's finance team. Long-term fund raising including strategic treasury initiatives are handled by a Treasury team. A monthly reporting system exists to inform senior management of investments, debt, currency. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies.

Financial Risk

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimise interest through proven financial instruments.

(a) Liquidity

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents provide liquidity both in the short-term as well as in the long-term.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

	As on 31 March 2023			
	< 1 Year	1 - 3 Year	>3 Year	Total
Trade and other payables	5,413,997	-	-	5,413,997
Other financial liabilities	295,951	-	-	295,951
Total	5,709,948	-	-	5,709,948

	As on 31 March 2022			
	< 1 Year	1 - 3 Year	>3 Year	Total
Trade and other payables	5,612,215	-	-	5,612,215
Other financial liabilities	121,198	-	-	121,198
Total	5,733,413	-	-	5,733,413

(b) Foreign exchange risk

The Company operates internationally and primarily exposed to US Dollar only.

(c) Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and other financial assets. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivable

Customer credit risk is managed as per the established policy, procedures and control relating to customer credit risk management. In monitoring customer credit risk, customers are categorized according to their credit characteristics, including whether they are wholesale or end-user customer, their geographic location, trade history with the Company. An impairment analysis is performed quarterly. The calculation is based on historical experience/ current facts available in relation to default and delays in collection thereof.

Financial assets other than trade receivables

With regards to other financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on these financial assets.

33 Regulatory Information

- (i) The Benami Transactions (Prohibition) Act, 1988 is not applicable in the jurisdiction where Company is operating.
- (ii) The Companies Act, 2013 is not applicable in the jurisdiction where Company is operating.
- (iii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The Company does not have any immovable property.

As per our attached report of even date

For B Khosla & Co.

Chartered Accountants

ICAI Firm registration number: 000205C

For and on behalf of STS Jewels Inc.

CA Sandeep Mundra

Partner

Membership No.: 075482

Nitin Panwad

Director

Place: Jaipur

Date: 15 May 2023

Place: Jaipur

Date: 15 May 2023