



*Pulindra M. Patel*  
*B.Com. F.C.A, Inter C.S.*

**PULINDRA PATEL & CO.**  
**CHARTERED ACCOUNTANTS**

307, Gold Mohur Co. Op. Society,  
174, Princess Street, Mumbai-2  
Tel No. : 22056233  
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**Independent Auditor's Report**

**To the Members of DIAGOLD DESIGNS LIMITED**

**Report on the Financial Statements**

**Opinion**

We have audited the standalone financial statements of DIAGOLD DESIGNS LIMITED ("the Company") which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, (including Other Comprehensive Income), statement of changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that



the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### **Key Audit Matters**

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

According to us there are no key Audit matters which are required to be reported in this financial statement.

### **INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance, Business Responsibility Report and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements, and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Management and Those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance, (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the



accounting Standards specified in the companies (Indian Accounting Standard) rules 2015 ( as amended ) under section 133 of the Companies Act, 2013. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The company has closed its manufacturing activities and has continued the trading activity with respect to cut and polished diamonds, subject to that, in preparing the Ind AS 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. The respective Board of Directors is also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- (i) Identify and assess the risks of material misstatement of the interim standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has



adequate internal financial controls system in place and the operating effectiveness of such controls.

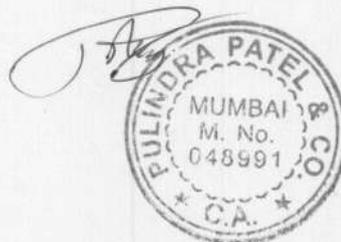
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. The Company has stopped the Manufacturing activities and decided to If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the interim consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our



report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, (including other comprehensive income) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.



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

i) The company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2021 on its financial position in its Ind AS financial position in its standalone financial statements – refer Note No 33 to the Ind AS financial statements.

ii) The Company did not have any long term contracts including derivate contracts as at 31<sup>st</sup> March, 2021.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection fund by the company during the year ended 31<sup>st</sup> March, 2021.

**For Pulindra Patel & Co.**

Chartered Accountants

FRN No.115187W

*Pulindra Patel*

**(Pulindra Patel)**

Proprietor

Membership No. 048991

UDIN : 21048991AAAAHX6912



Place: Mumbai

Date: 30<sup>th</sup> April, 2021



*Pulindra M. Patel*  
*B.Com. F.C.A, Inter C.S.*

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**Annexure (A) to the independent Auditor's Report**  
**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements'**  
**in the Independent Auditor's Report of even date to the members of DIAGOLD DESIGNS**  
**LIMITED on the standalone financial statements for the year ended 31<sup>st</sup> March, 2021]**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) All fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
  
(c) As per the information and explanations given to us, the immovable properties owned by the company are held in the name of the company. In respect of immovable property taken on lease and disclosed as fixed assets in standalone financial statements, the lease agreement is in the name of the Company. However as on the date of the balance sheet there are no immovable properties owned by the Company.
2. The Inventories have been physically verified during the year by the management. In our opinion, frequency of verification of inventory is reasonable. There are no material discrepancies noticed by the management.
3. According to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms Limited Liability Partnerships or



other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of clause 3(iii) (a), (b,) and (c) of the Order are not applicable to the Company and hence not commented upon.

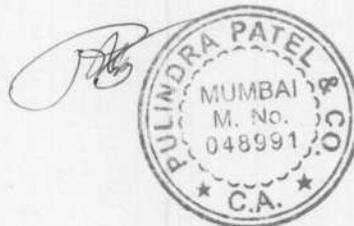
4. As per the information and explanations provided to us, there is no loans, investments, guarantees and securities given by the company, except guarantee provided to wholly owned subsidiary to which provisions of section 185 of the Companies Act, 2013 do not apply. In our opinion and according to the information and explanations given to us the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been so made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a) According to the information and explanations given to us and on the basis of the examination of the books of account, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Value Added Tax Customs Duty, Excise Duty, and other statutory dues applicable to it with the appropriate authorities.  
  
b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Customs Duty, Excise Duty and other undisputed statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.



According to the records of the Company, disputed Income Tax Demand together with Penalty not deposited on account of dispute are as follows.

Name of Statute / Description	Amount ₹ in lacs	Period to which the amount relates	Forum where dispute is pending
Income Tax	42.39	Assessment year 2010-11	Commissioner of Income Tax Appeals
Income Tax	112.94	Assessment year 2013-14	Commissioner of Income Tax Appeals

8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to banks. The Company does not have any borrowings by way of debentures.
9. The Company has not raised money by way of initial public offer including debt instruments during the year and did not have any term loans outstanding during the year.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. As per the information and explanations given to us the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
12. As per the information and explanations given to us the company is not a Nidhi Company.



13. As per the information and explanations given to us the company all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details have been disclosed in the Standalone Financial Statements, etc., as required by the applicable accounting standards.
14. As per the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year review.
15. As per the information and explanations given to us, the company has not entered into any non- cash transactions with the directors or persons connected with him.
16. As per the information and explanations given to us, the company is not required to get it registered under section 45-1A of the Reserve Bank of India Act, 1934.

Place: Mumbai  
Date : 30<sup>th</sup> April, 2021

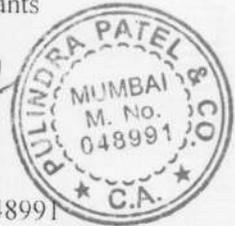
**For Pulindra Patel & Co.**  
Chartered Accountants  
FRN No.115187W

*Pulindra Patel*  
(Pulindra Patel)

Proprietor

Membership No. 048991

UDIN : 21048991AAAAHX6912





*Pulindra M. Patel*  
*B.Com. F.C.A, Inter C.S.*

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**ANNEXURE (B)**

**TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE  
FINANCIAL STATEMENTS OF DIAGOLD DESIGNS LIMITED:**

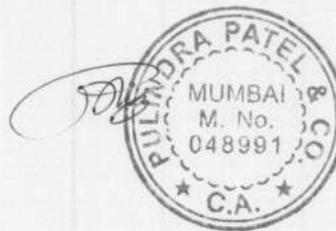
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Diagold Designs Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.



### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting:**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of an authorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai  
Date: 30<sup>th</sup> April, 2021

**For Pulindra Patel & Co.**

Chartered Accountants  
FRN No. 115187W

*Pulindra M. Patel*

PULINDRA M. PATEL

Proprietor

Membership No. 48991

UDIN : 21048991AAAAHX6912



**DIAGOLD DESIGNS LIMITED**  
**Standalone balance sheet as at March 31, 2021**

(Amounts are in lakhs unless stated otherwise)

Particulars	Note	As at March 31,	
		2021	2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	4.05	562.84
Other intangible assets	2	0.09	0.33
Investments in Joint venture	3	-	0.06
Financial assets			
i. Investments		-	-
ii. Loans	4	93.02	94.24
iii. Other financial assets	5	1.35	3.48
Deferred tax assets	6	2.58	9.50
<b>Total non-current assets</b>		<b>101.09</b>	<b>670.44</b>
<b>Current assets</b>			
Inventories	7	27.04	233.72
Financial assets			
i. Investments	8	-	34.98
ii. Trade receivables	9	16.86	18.11
iii. Cash and cash equivalents	10	1,140.02	36.56
iv. Bank balances other than (iii) above		-	-
v. Loans	11	3.20	3.49
vi. Other financial assets		-	-
Other current assets	12	27.35	105.01
		<b>1,214.47</b>	<b>431.86</b>
<b>Total current assets</b>		<b>1,214.47</b>	<b>431.86</b>
<b>Total assets</b>		<b>1,315.56</b>	<b>1,102.31</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	246.00	328.00
Other equity	14	1,062.90	769.20
<b>Total equity</b>		<b>1,308.90</b>	<b>1,097.20</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings		-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings		-	-
ii. Trade payables	15	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1.21	1.30
iii. Other financial liabilities		-	-
Provisions		-	-
Other current liabilities	16	5.45	3.80
		<b>6.66</b>	<b>5.10</b>
Liabilities directly associated with assets classified as held for sale		-	-
<b>Total current liabilities</b>		<b>6.66</b>	<b>5.10</b>
<b>Total liabilities</b>		<b>6.66</b>	<b>5.10</b>
<b>Total equity and liabilities</b>		<b>1,315.56</b>	<b>1,102.31</b>

This is the balance sheet referred to in our report of even date  
Notes 1 to 41 form an integral part of these financial statements.

For Pulindra Patel & Co.  
Chartered Accountants  
ICAI Firm Registration No. 115187W

Pulindra Patel  
Proprietor  
Mem No. : 048991  
UDIN No. : 21048991AAAAHX0012  
Place: Mumbai  
Date : 30th April, 2021



For and on behalf of the Board of Directors  
Diagold Designs Limited

Nirav M. Mehta      Rashesh M Bhansali  
Managing Director      Director  
DIN- 0017819      DIN- 00057931

Place: Mumbai  
Date : 30th April, 2021

# DIAGOLD DESIGNS LIMITED

## Standalone statement of profit and loss for the year ended March 31, 2021

(Amounts are in lakhs unless stated otherwise)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
<b>Continuing operations</b>			
Revenue from operations	17	156.12	214.41
Other income	18	32.98	21.44
<b>Total income</b>		<b>189.10</b>	<b>235.85</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	19	206.81	292.47
Purchase of Traded goods	20	-	99.70
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	20	-	-
Employee benefit expenses	21	1.23	2.50
Finance Cost	22	1.64	40.50
Depreciation and amortisation expense	1	2.07	9.94
Other expenses	23	63.40	131.70
<b>Total expenses</b>		<b>275.15</b>	<b>576.81</b>
<b>Profit before exceptional items and tax</b>		<b>(86.05)</b>	<b>(340.96)</b>
Exceptional items			
Profit on sale of Factory Building		1,576.71	-
<b>Profit before tax</b>		<b>1,490.66</b>	<b>(340.96)</b>
Income tax expense	24		
- Current tax		325.12	-
- Deferred tax		6.91	2.65
<b>Total tax expense/(credit)</b>		<b>332.04</b>	<b>2.65</b>
<b>Profit from continuing operations</b>		<b>1,158.62</b>	<b>(343.61)</b>
<b>Discontinued operations</b>			
Profit from discontinued operations before tax		-	-
Tax expense of discontinued operations		-	-
<b>Profit from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Profit for the year</b>		<b>1,158.62</b>	<b>(343.61)</b>
<b>Other Comprehensive Income:</b>			
a) Items that will not be reclassified to profit or loss		(0.15)	(3.62)
b) Income tax relating to items that will not be reclassified to profit or loss		-	-
c) Items that will be reclassified to profit or loss		-	-
d) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income / (Losses)</b>		<b>(0.15)</b>	<b>(3.62)</b>
<b>Total other comprehensive income / (Losses) for the year</b>		<b>1,158.48</b>	<b>(347.23)</b>
<b>Earnings per share</b>			
Basic		24.55	(9.73)
Diluted		24.55	(9.73)

Notes 1 to 41 form an integral part of these financial statements.

The above statement of profit and loss should be read in conjunction with the accompanying notes.

This is the Statement of profit and loss referred to in our report of even date

For Pulindra Patel & Co.

Chartered Accountants

ICAI Firm Registration No. 115187

Pulindra M. Patel

Proprietor

Mem No. : 048991

UDIN No. : 21048991AAAAHX6912

Place: Mumbai

Date : 30th April, 2021

For and on behalf of the Board of Directors  
Diagold Designs Limited

Nirav M. Mehta

Managing Director

DIN- 0017819

Rashesh M Bhansali

Director

DIN- 00057931

Place: Mumbai

Date : 30th April, 2021



**DIAGOLD DESIGNS LIMITED**  
**Cash flow statement for the year ended March 31, 2021**

(Amounts are in lakhs unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A Cash flow from operating activities :</b>		
Profit after exceptional items before tax	1,490.66	(340.96)
<b>Adjustments for:</b>		
Depreciation and amortization for the year	2.07	9.94
Net unrealised foreign exchange (gain)/ loss	0.76	2.14
Net (profit)/loss on disposal of property	(1,623.14)	
Net (profit)/loss on disposal of fixed assets	10.94	(4.31)
(income)/loss from investments measured at FVTPL	(0.23)	(3.91)
Interest Income	(32.74)	(2.00)
Finance cost	1.64	40.50
	<u>(1,640.71)</u>	<u>42.36</u>
<b>Operating profit before working capital changes</b>	<b>(150.05)</b>	<b>(298.60)</b>
<b>Adjustments for:</b>		
Decrease/Increase in inventories	206.68	238.38
Decrease/(increase) in non-current financial assets	2.13	1.01
Decrease/(increase) in current financial assets	0.29	(0.87)
Decrease/(increase) in other current assets	74.48	89.11
Increase in trade receivables	0.45	724.55
Increase in trade payables	(0.05)	(22.00)
Increase in current financial liabilities	1.65	(42.31)
Increase in other current liabilities	-	(4.92)
	<u>285.61</u>	<u>982.95</u>
<b>Cash generated from operating activities</b>	<b>135.55</b>	<b>684.35</b>
Income Tax Paid (net)	(323.90)	(42.76)
	<u>(323.90)</u>	<u>(42.76)</u>
<b>Net cash generated from operating activities</b>	<b>(188.35)</b>	<b>641.59</b>
<b>B Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	-	-
Proceeds from disposal of property, plant and equipment	1,751.49	18.25
Purchase of Investments	-	(210.00)
Proceeds from redemption of investments, net	35.12	644.08
Buyback of equity shares	(437.06)	(235.49)
Tax on Buyback of equity shares	(88.59)	(48.98)
Capital Expenses for Buyback of equity shares	(0.26)	(0.25)
Interest received	32.74	2.00
<b>Net cash used in investing activities</b>	<b>1,293.44</b>	<b>169.61</b>
<b>C Cash flow from financing activities:</b>		
(Repayment)/proceeds of short term borrowings, net	-	(876.10)
Interest paid	(1.64)	(40.50)
<b>Net cash generated from financing activities</b>	<b>(1.64)</b>	<b>(916.60)</b>
Net increase in cash and cash equivalents (A+B+C)	1,103.45	(105.41)
Cash and cash equivalents at the beginning of the year	36.56	141.97
<b>Cash and cash equivalents at the end of the year</b>	<b>1,140.02</b>	<b>36.56</b>

**Note :**

- 1) Figures in bracket represent cash outflow.
- 2) Direct taxes paid are treated as arising from operating activities and are not bifurcated between Investing and financing activities.
- 5) The accompanying notes are integral part of the financial statements.

Notes 1 to 41 form an integral part of these financial statements.  
As per attached report of even date.

For Pulindra Patel & Co.

Chartered Accountants

ICAI Firm Registration No. 115187W

*Pulindra m. ll*

Pulindra Patel

Proprietor

Mem No. : 048991

UDIN No. : 21048991AAAAHX6912

Place : Mumbai

Date : 30th April, 2021



For and on behalf of the Board of Directors  
Diagold Designs Limited

*Nirav M Mehta*  
Nirav M Mehta  
Managing Director  
DIN- 0017819

*Rashesh M Bhansali*  
Rashesh M Bhansali  
Director  
DIN- 00047931

Place: Mumbai

Date : 30th April, 2021

**DIAGOLD DESIGNS LIMITED**

Financial statements as at and for the year ended March 31, 2021

**Statement of changes in Equity**

**A. EQUITY SHARE CAPITAL :**

(Amounts are in lakhs unless stated otherwise)

Particulars	No. of shares	Amount
Issued, subscribed and fully paid-up shares		
Equity share of Rs. 10 each		
Balance as at 1 April 2019	3999929	399.99
Changes in Equity Share Capital during the year	(719,930)	(71.99)
Balance as at 31 March 2020	3279999	328.00
Changes in Equity Share Capital during the year	(819,998)	(82.00)
Balance as at 31 March 2021	2460001	246.00

**B. OTHER EQUITY**

(Amounts are in lakhs unless stated otherwise)

Particulars	Reserves and surplus					Total
	Capital Redemption	Security Premium	Revaluation Reserves	General Reserves	Retained Earning	
<b>Balance as at 1 April 2019</b>		462.71	420.87	327.41	118.17	1,329.16
Profit for the year					(343.61)	(343.61)
Other comprehensive income					(3.62)	(3.62)
<b>Total comprehensive income</b>						
Dividends distributed to equity shareholders		462.71	420.87	327.41	(229.06)	981.93
Corporate dividend tax on dividend paid to Equity Shareholder					-	-
Buy-back of equity Shares (Refer Note 13)		(163.50)			(48.98)	(212.48)
Transfer to Capital Redemption Reserve	71.99	(71.99)				
Buy Back Expenses					(0.25)	(0.25)
Others					-	-
<b>Balance as at 31 March 2020</b>	71.99	227.23	420.87	327.41	(278.29)	769.20
Profit for the year					1,158.62	1,158.62
Other comprehensive income					(0.15)	(0.15)
<b>Total comprehensive income</b>	71.99	227.23	420.87	327.41	880.18	1,927.68
Dividends distributed to equity shareholders					-	-
Corporate dividend tax on dividend paid to Equity Shareholders					-	-
Buy-back of equity Shares (Refer Note 13)		(227.23)		(127.83)		(355.06)
Transfer to Capital Redemption Reserve	82.00	-	(420.87)	(82.00)		(420.87)
Buy Back Expenses					(0.26)	(0.26)
Tax on buyback of shares					(88.59)	(88.59)
<b>Balance as at 31 March 2021</b>	153.99	0.00	-	117.58	791.33	1,062.90

Notes 1 to 41 form an integral part of these financial statements.

This is the Statement of changes in equity referred to in our report of even date

For Pulindra Patel & Co.  
Chartered Accountants  
ICAI Firm Registration No. 115187W

*Pulindra M. B.*

Pulindra Patel  
Proprietor  
Mem No. : 048991  
UDIN No. : 21048991AAAA1X6912

Place: Mumbai  
Date : 30th April, 2021



For and on behalf of the Board of Directors  
Diagold Designs Limited

*Nirav M Mehta*      *Rashesh M Bhansali*

Nirav M Mehta  
Managing Director  
DIN- 0017819

Rashesh M Bhansali  
Director  
DIN- 00057931

Place: Mumbai  
Date : 30th April, 2021

**Diagold Designs Limited**  
**Notes to Financial Statement as 31st March, 2021**

**Company Information**

Diagold Designs Limited (the Company) is a public limited company domiciled in India with its registered office located at R-1, Cama Industrial Estate, Walbhat Road, Opp. Bajrang Nagar, Goregaon (East) Mumbai - 400 063. The Company is engaged in manufacturing, selling of Gold Jewellery, Diamond studded Jewellery and silver jewellery.

**A. Basis of Preparation**

**(i) Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

The financial statements of the Company for the year ended 31st March, 2021 were approved for issue in accordance with the resolution of the Board of Directors on 30th April, 2021.

**(ii) Historical Cost Convention**

These financial statements are prepared under the historical cost convention unless otherwise indicated.

**B KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations - Note No. 21
- (b) Measurement and likelihood of occurrence of provisions and contingencies - Note No. 32
- (c) Recognition of deferred tax assets - Note No. 24

**C SIGNIFICANT ACCOUNTING POLICIES**

**(a) Property, Plant and Equipment:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Capital expenditure incurred on rented properties is classified as 'Leasehold improvements' under property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on written-down value, computed on the basis of useful lives (as set out below) prescribed in Schedule II of the Act.

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Description of Asset	Estimated useful life (in years)
Buildings	30
Plant and equipment	15
Office equipment	5
Computers	3
Computers Servers	6
Computer software	5
Furniture and fixtures	10
Vehicles	8



**Diagold Designs Limited**  
**Notes to Financial Statement as 31st March, 2021**

**De-recognition**

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

**(b) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

**(c) Financial instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

**Subsequent measurement**

i. Financial instruments at amortized cost – the financial instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. All the debt instruments of the Company are measured at amortized cost.

ii. Mutual funds – All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

**De-recognition of financial assets**

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortized cost.

**Subsequent measurement**

Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. These liabilities include

**De-recognition of financial liabilities**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**(d) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

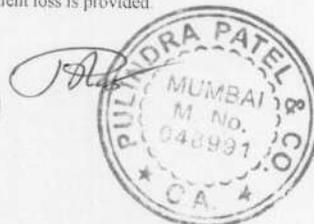
- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

**Trade receivables**

The Company applies approach permitted by Ind AS 109, financial instruments, which requires expected lifetime losses to be recognised from initial

**Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.



**Diagold Designs Limited**  
**Notes to Financial Statement as 31st March, 2021**

**(e) Inventories**

Raw Material: Lower of cost or net realisable value. Cost is determined on first in first out ("FIFO") basis.

Work in progress: At cost determined on FIFO basis upto estimated stage of completion

Finished goods: Lower of cost or net realisable value. Cost is determined on FIFO basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads based on the normal capacity for manufactured goods.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary

**(f) Income taxes**

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ("OCI") or directly in equity.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income-tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).

Deferred income-tax is calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised 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 liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).

**(g) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

**(h) Post-employment, long term and short term employee benefits**

Defined contribution plans

Provident fund benefit is a defined contribution plan under which the Company pays fixed contributions into funds established under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

Defined benefit plans

Gratuity is a post-employment benefit defined under The Payment of Gratuity Act, 1972 and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Other long-term employee benefits

Liability in respect of compensated absences is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are



**Diagold Designs Limited**  
**Notes to Financial Statement as 31st March, 2021**

**(i) Operating expenses**

Operating expenses are recognised in profit or loss upon utilization of the service or as incurred.

**(j) Borrowing costs**

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

**(k) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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.

**(l) Provisions, contingent assets and contingent liabilities**

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized. However, when inflow of economic benefit is probable, related asset is disclosed.

**(m) Earnings per share :**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(n) Significant management judgment in applying accounting policies and estimation uncertainty :**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgments and estimates

The following are significant management judgments and estimates in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.



**Diagold Designs Limited**  
**Notes to Financial Statement as 31st March, 2021**

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence.

**(o) Revenue recognition**

Interest and dividend :

Interest income is recognised on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive the payment is established. Other income is recognised when no significant uncertainty as to its determination or realisation exists.

**(p) Revenue from contract with customers**

Ind AS 115 was issued on 28 March 2018 and establishes a five- step model to account for revenue arising from contract with customers. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. The Company has adopted the new standard will supersede all current revenue recognition requirements under Ind AS. The Company has adopted the new standard for annual periods beginning on or after 1st April, 2018 using the cumulative catch up method. However there is no obligation on the part of the Company for determining transaction price from the customers.

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services. The Company is also engaged in real estate property development, recently.

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01st April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Revenue is recognized on satisfaction of performance obligation upon transfer of control of products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation



**Diagold Designs Limited**  
**Notes to Financial Statement as 31st March, 2021**

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company has completed its evaluation of the possible impact of Ind AS 115 and has adopted the standard from 1st April, 2018.

Interest Income:

Interest income is recognised on an accrual basis using the effective interest method.

Dividend

Dividends are recognised at the time the right to receive the payment is established.

q) Leases :

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. There will not be any material impact of the said implementation of Ind AS 116 to the Company.



**DIAGOLD DESIGNS LIMITED**

**Financial statements as at and for the year ended March 31, 2021**

**Note 1 - Property, plant and equipment**

*(Amounts are in lakhs unless stated otherwise)*

Particulars	Land : Lease- hold	Buildings	Furniture fixture	Computer	Electrical Installation	Plant and machinery	Office equipment's	Vehicles	Total
<b>Gross block</b>									
As at April 1, 2019	506.47	277.79	153.50	19.12	43.37	128.14	36.11	30.18	1,194.67
Additions	-	-	-	-	-	-	-	-	-
Deduction	-	-	5.88	-	-	-	-	-	5.88
As at March 31, 2020	506.47	277.79	147.62	19.12	43.37	128.14	36.11	30.18	1,188.79
Additions	-	-	-	-	-	-	-	-	-
Deduction	506.47	277.79	147.62	-	43.37	128.14	36.11	-	1,139.49
As at March 31, 2021	-	-	-	19.12	-	-	-	30.18	49.30

Particulars	Buildings	Office Premises	Furniture fixture	Computer	Electrical Installation	Plant and machinery	Office equipment's	Vehicles	Total
<b>Accumulated depreciation</b>									
As at April 1, 2019	-	231.25	141.59	19.09	41.63	128.14	36.11	21.69	619.50
Depreciation charge during the year	-	4.28	2.64	-	0.08	-	-	2.65	9.65
Deduction	-	-	3.19	-	-	-	-	-	3.19
As at March 31, 2020	-	235.53	141.04	19.09	41.71	128.14	36.11	24.34	625.96
Depreciation charge during the year	-	-	-	-	-	-	-	1.82	1.82
Deduction	-	235.53	141.04	-	41.71	128.14	36.11	-	582.52
As at March 31, 2021	-	-	-	19.09	-	-	-	26.16	45.25

**Net carrying amount as at March 31, 2021**

Net carrying amount as at March 31, 2020	-	-	-	0.03	-	-	-	4.02	4.05
Net carrying amount as at April 1, 2019	506.47	42.26	6.59	0.03	1.66	-	0.00	5.84	562.84
Net carrying amount as at March 31, 2021	506.47	46.54	11.91	0.03	1.74	-	0.00	8.49	575.17



**DIAGOLD DESIGNS LIMITED**

**Financial statements as at and for the year ended March 31, 2021**

**Note 2 - Intangible assets**

*(Amounts are in lakhs unless stated otherwise)*

Particulars	Computer software	Total
<i>Gross block</i>		
As at April 1, 2019	13.00	13.00
Additions	-	-
Deduction	-	-
As at March 31, 2020	13.00	13.00
Additions	-	-
Deduction	-	-
As at March 31, 2021	13.00	13.00

*(Amounts are in lakhs unless stated otherwise)*

Particulars	Computer software	Total
<i>Accumulated amortisation and impairment</i>		
As at April 1, 2019	12.38	12.38
Amortisation charge during the year	0.29	0.29
Impairment loss during the year	-	-
As at March 31, 2020	12.66	12.66
Amortisation charge during the year	0.25	0.25
Impairment loss during the year	-	-
As at March 31, 2021	12.91	12.91

Net carrying amount as at March 31, 2021

Net carrying amount as at March 31, 2020

Net carrying amount as at April 1, 2019

0.09      0.09  
0.33      0.33  
0.62      0.62



**DIAGOLD DESIGNS LIMITED**

**Financial statements as at and for the year ended March 31, 2021**

**Note 13 - Share capital and other equity**

Share capital	(Amounts are in lakhs unless stated otherwise)	
	As at March 31, 2021	As at March 31, 2020
<b>Authorized shares</b>		
4000000 Equity Shares of ₹ 10/- each (Previous year 3999929 Equity Shares of ₹ 10/- each)	400.00	400.00
<b>Issued, subscribed and fully paid-up shares</b>		
2460062 Equity Shares of ₹ 10/- each (Previous year 3279999 Equity Shares of ₹ 10/- each)	246.00	328.00
	<b>246.00</b>	<b>328.00</b>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	(Amounts are in lakhs unless stated otherwise)			
	As at March 31, 2021		As at March 31, 2020	
	Nos. of shares	Rs. in Lakhs	Nos. of shares	Rs. in Lakhs
At the beginning of the period	4719859	328.00	3999929	399.99
Issued during the period - Convertible warrants	-	-	-	-
Buy Back of Shares	(819998)	(82.00)	(719930)	(71.99)
<b>Outstanding at the end of the period</b>	<b>3899861</b>	<b>246.00</b>	<b>4719859</b>	<b>328.00</b>

**(b) Terms/ rights attached to equity shares**

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in 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.

**(c) Details of shareholders holding more than 5% shares in the Company (as per the register of members of the Company are as under) :-**

Name of the shareholder	(Amounts are in lakhs unless stated otherwise)			
	As at March 31, 2021		As at March 31, 2020	
	Nos. of Shares	% holding in the class	Nos. of Shares	% holding in the class
Equity shares of Rs. 10/- each fully paid				
Goldiam International Ltd.	1254411	32.17%	1672548	35.44%
Milan R. Mehta	474,600	12.17%	474600	10.06%
Nehal Milan Mehta	213,400	5.47%	615200	13.03%
Nirav Milan Mehta	191,001	4.90%	191001	4.05%
Trupti Milan Mehta	255,000	6.54%	255000	5.40%
Sweta N. Mehta	71,400	1.83%	71400	1.51%
Rashesh Bhansali	167	0.00%	167	0.00%
Shobhana Bhansali	83	0.00%	83	0.00%

As per the records of the Company

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**e) Proposed Dividend on Equity Shares**

The board has not proposed dividend on equity shares after the balance sheet date.



**DIAGOLD DESIGNS LIMITED**

**Financial statements as at and for the year ended March 31, 2021**

**Note 14 - Other Equity**

Particulars	<i>(Amounts are in lakhs unless stated otherwise)</i>	
	As at March 31, 2021	As at March 31, 2020
<b>Capital Redemption Reserve</b>		
(a) As per Balance Sheet		
Add : Transfer from Equity Share Capital	71.99	-
	82.00	71.99
	<u>153.99</u>	<u>71.99</u>
<b>Security Premium</b>		
(a) As per Balance Sheet		
Less : Utilisation for Buy Back of Equity Shares	227.23	462.71
Less : Transfer to Capital Redemption Reserve	(227.23)	(163.50)
	-	(71.99)
	<u>0.00</u>	<u>227.23</u>
<b>Revaluation Reserves :</b>		
(a) As per Balance Sheet		
Less : transfer to sale of property	420.87	420.87
	(420.87)	-
	<u>-</u>	<u>420.87</u>
<b>General reserve</b>		
(a) As per Balance Sheet		
Less : Utilisation for Buy Back of Equity Shares	327.41	327.41
Less : Transfer to Capital Redemption Reserve	(127.83)	-
	(82.00)	-
	<u>117.58</u>	<u>327.41</u>
<b>Surplus in the statement of profit and loss</b>		
Balance as per the last financial statements		
Profit for the year	(278.29)	118.17
Less: Appropriations	1,158.48	(347.23)
Tax on buyback of shares		
Buy Back Expenses	(88.59)	(48.98)
	(0.26)	(0.25)
Closing Balance	<u>791.33</u>	<u>(278.29)</u>
<b>TOTAL</b>	1,062.90	769.20

**Capital Redemption Reserve:** The Company has recognised Capital Redemption Reserve on buyback of equity shares from its Securities Premium Reserve. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back. During the year the increase in reserve is on account of buy back of equity shares.

**Securities Premium Reserve:** The amount received in excess of face value of the equity shares is recognized in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

**Revaluation Reserve:** The company has revalued its Land in the financial year 2007. The said difference between market value of Land and Original cost of the land has been transferred to Revaluation Reserve Account.

**General Reserve:** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.



**DIAGOLD DESIGNS LIMITED**

**Financial statements as at and for the year ended March 31, 2021**

**Note 3 - Investments in Joint venture**

(Amounts are in lakhs unless stated otherwise)

Particulars	No. Of Shares / Holding %	As at March 31, 2021	As at March 31, 2020
<b>Investment in Partnership / LLP and Joint Venture :</b>			
<b>Investment in Partnership / LLP</b>			
1) Temple Designs LLP [Partnership Firm]	51%	-	-
<b>Investment in Joint Venture :</b>			
<b>Unquoted</b>			
<b>In Equity Instruments at cost, fully paid-up</b>			
2) Goldiam HK Ltd.	975	-	0.06
(No. of Shares 975 Face Value (Face Value of HK\$ 1.00 each) (Previous year HK\$) /-)			
<b>Total investment</b>		-	0.06
Aggregate amount of quoted investments			
Aggregate market value of listed and quoted investments			
Aggregate amount of unquoted investments		-	0.06

**Note 4 - Long term loans and advances**

(Amounts are in lakhs unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Loans and advances, unsecured, considered good</b>		
Advance income-tax (net of provision for taxation)	93.02	94.24
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
<b>Total</b>	<b>93.02</b>	<b>94.24</b>

**Note 5 - Other non-current financial assets**

(Amounts are in lakhs unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposit	0.41	2.53
Other deposits	0.95	0.95
<b>Total</b>	<b>1.35</b>	<b>3.48</b>

**Note 6 - Deferred tax liabilities**

(Amounts are in lakhs unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Liabilities :</b>		
i) Relating to Depreciation, Amortization and Impairment		
Less : Deferred Tax Assets :		
i) relating to Employee Benefits & Provision thereof	-	0.09
ii) Financial assets at fair value through profit or loss	-	0.01
iii) relating to Depreciation, amortization and Impairment	2.58	9.40
<b>Total</b>	<b>2.58</b>	<b>9.50</b>

**Note 7 - Inventories**

(Amounts are in lakhs unless stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials (Refer note )	27.04	233.72
Stock in Process	-	-
Finished goods (Refer Note 20)	-	-
Stock of Consumable Stores & Spare parts (at cost)	-	-
<b>Total</b>	<b>27.04</b>	<b>233.72</b>

**Note 8 - Current investments**

(Amounts are in lakhs unless stated otherwise)

Particulars	No. of Units	As at March 31, 2021	As at March 31, 2020
<b>In Units of Mutual Fund (Equity Fund) - Quoted, fully paid up</b>			
1) ICICI Purd. Eq. Arbitrage Fund (Inf109K01E0)	255795.913	-	34.98
<b>Total</b>		-	<b>34.98</b>

Aggregate amount of quoted investments  
Aggregate market value of listed and quoted investments  
Aggregate amount of unquoted investments



**Note 9 - Trade receivables***(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful receivables	-	-
Other receivables	-	-
Unsecured, considered good	16.86	18.11
Trade Receivables which have significant increase in Credit Risk		
Trade Receivables - credit impaired		
<b>Total</b>	<b>16.86</b>	<b>18.11</b>

**Note 10 - Cash and cash equivalents***(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand		
Bank balances	0.30	1.01
- Current Account	15.90	34.81
- EEFC Account	-	-
- Fixed Deposit with Banks	1,123.82	0.75
<b>Total</b>	<b>1,140.02</b>	<b>36.56</b>

**Note 11 - Short term loans and advances***(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	3.20	3.49
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
Others		
<b>Total</b>	<b>3.20</b>	<b>3.49</b>

**Note 12 - Other current assets***(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with govt authorities	27.09	99.92
Loans to employees	-	0.10
Assets for sales	-	3.18
Others	0.27	1.80
<b>Total</b>	<b>27.35</b>	<b>105.01</b>



**DIAGOLD DESIGNS LIMITED****Financial statements as at and for the year ended March 31, 2021****Note 15 - Trade payables***(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31,	As at March 31,
	2021	2020
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	1.21	1.30
<b>Total</b>	<b>1.21</b>	<b>1.30</b>

**Note 16 - Other current liabilities***(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31,	As at March 31,
	2021	2020
Statutory dues	1.34	0.25
Other payables	3.37	2.82
Advances from customers	0.74	0.74
<b>Total</b>	<b>5.45</b>	<b>3.80</b>



**DIAGOLD DESIGNS LIMITED**

**Financial statements as at and for the year ended March 31, 2021**

**Note 17 - Revenue from operations**

*(Amounts are in lakhs unless stated otherwise)*

Particulars	Year ended March	Year ended March
	31, 2021	31, 2020
<b>Operating Income :</b>		
(a) Manufactured goods	0.73	1.45
(b) Traded goods	155.39	211.13
(b) Sale of Services	-	1.84
	<u>156.12</u>	<u>214.41</u>
	156.12	214.41
<b>Sale of products comprises :</b>		
<b>(a) Manufactured goods</b>		
Sales of gold Jewellery	-	-
Sales of Other Misc. Products	0.73	1.45
	<u>0.73</u>	<u>1.45</u>
<b>(b) Traded goods</b>		
Sales of Cut & Polished Diamond	140.03	157.26
Sales of Colour stones	-	0.00
Sale of Gold	15.36	53.86
	<u>155.39</u>	<u>211.13</u>
<b>(c) Sale of Services</b>		
Job Work Income	-	1.84
	<u>-</u>	<u>1.84</u>

**Note 18 - Other income**

*(Amounts are in lakhs unless stated otherwise)*

Particulars	Year ended March	Year ended March
	31, 2021	31, 2020
Interest received	32.74	2.00
Rent Income	-	2.84
Discount Received	-	0.01
Other Miscellaneous Income	-	0.35
Profit on sale of Mutual Fund	0.23	3.91
Dividend Received on Mutual Fund	-	1.08
Profit Sale on Fixed Assets	-	4.31
Debit / Credit Written off	-	3.45
Net Gain on Foreign currency transaction & Translation	-	3.51
<b>Total</b>	<u>32.98</u>	<u>21.44</u>

**Note 19 - Cost of materials consumed**

*(Amounts are in lakhs unless stated otherwise)*

Particulars	Year ended March	Year ended March
	31, 2021	31, 2020
Opening Stock	233.72	466.85
Add: Purchases		
Silver	0.14	-
Gold/Silver Jewellery	-	59.34
	<u>233.86</u>	<u>526.19</u>
Less: Closing Stock	27.04	233.72
<b>Total</b>	<u>206.81</u>	<u>292.47</u>



(a) Value of imported raw materials consumed and the value of all indigenous raw materials similarly consumed and the percentage of each to the total consumption.

Particulars	Amount in ₹		Percentage	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Raw Materials				
(i) Imported	-	-	0.00%	0.00%
(ii) Indigenous	206.81	292.47	100.00%	100.00%

**Note 20 - Purchase of Traded goods**

*(Amounts are in lakhs unless stated otherwise)*

Particulars	Year ended March	Year ended March
	31, 2021	31, 2020
Purchases - C & P Diamonds	-	99.70
<b>Total</b>	<b>-</b>	<b>99.70</b>

**Note 21 - Employee benefit expenses**

*(Amounts are in lakhs unless stated otherwise)*

Particulars	Year ended March	Year ended March
	31, 2021	31, 2020
Salaries, Wages, Bonus & Ex-gratia	1.13	2.00
Contribution to Provident Fund	-	0.13
Contribution to E.S.I.C.	-	0.03
Workmen & Staff Welfare expenses	0.10	0.35
<b>Total</b>	<b>1.23</b>	<b>2.50</b>

Contribution to Provident Fund is Nil lakhs (Previous year 0.13 lakhs). ESIC and Labour Welfare Fund includes Nil lakhs (Previous year 0.03 lakhs).

(a) As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined in the Standard are not applicable to the Company.



Note 22 - Net finance costs

(Amounts are in lakhs unless stated otherwise)

Particulars	Year ended March	Year ended March
	31, 2021	31, 2020
Interest on Bank Loan / Others	1.64	40.50
<b>Total</b>	<b>1.64</b>	<b>40.50</b>

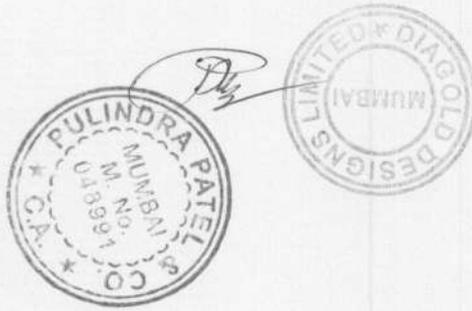


**Note 23 - Other expenses***(Amounts are in lakhs unless stated otherwise)*

Particulars	Year ended March	Year ended March
	31, 2021	31, 2020
Electricity Charges	0.43	2.81
Assortment, Refining & Grooving Charges	2.68	1.39
Jewellery Designing Charges	-	0.02
Stores & Spares	-	5.25
Labour Charges	-	0.09
Water Charges	0.21	0.54
Repairs And Maintenance	0.16	0.36
Rent, Rates And Taxes	3.47	7.66
Auditors Remuneration	1.20	1.20
Net Loss on Foreign currency transaction & Translation	1.16	-
Legal & Professional Charges	15.41	29.07
Office & Miscellaneous Exp.	24.41	4.61
Travelling & Conveyance	1.10	0.92
Selling & Distribution Expenses	0.51	5.16
Reduction In Sales Realization	-	0.84
Bank Charges	1.72	71.79
Loss on Sale of fixed assets	10.94	-
<b>Total</b>	<b>63.40</b>	<b>131.70</b>

**Consumable Stores & Spares :***(Amounts are in lakhs unless stated otherwise)*

Particulars	Amount in ₹		Percentage	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
a) Imported	-	-	-	0.00%
b) Indigenous	-	5.25	-	100.00%



**DIAGOLD DESIGNS LIMITED**

**Financial statements as at and for the year ended March 31, 2021**

**Note 24 - Taxation**

**24(a) - Income tax expense**

*(Amounts are in lakhs unless stated otherwise)*

Particulars	Year ended March	Year ended March
	31, 2021	31, 2020
<i>Current tax</i>		
Current tax on profits for the year	315.06	-
Adjustments for current tax of prior periods	10.06	-
<b>Total current tax expense</b>	<b>325.12</b>	<b>-</b>
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	6.91	2.65
(Decrease)/increase in deferred tax liabilities	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>6.91</b>	<b>2.65</b>
<b>Income tax expense</b>	<b>332.04</b>	<b>2.65</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

*(Amounts are in lakhs unless stated otherwise)*

Particulars	Year ended March	Year ended March
	31, 2021	31, 2020
Accounting profit before income-tax :	1,490.66	(340.96)
Applicable Indian statutory income-tax rate	21.81%	-
Computed expected tax expense	325.12	-
excess tax adjustment	-	-
Current tax provision	<b>325.12</b>	<b>-</b>

Note : In the current financial year there is loss therefore no current tax is payable.



**DIAGOLD DESIGNS LIMITED**

**Financial statements as at and for the year ended March 31, 2021**

**Note 25 - Related Party Transactions:**

a) List of related parties and relationship where control exists or with whom transactions were entered into:

Relationship	Name of the Related Party
Holding Company	Goldiam International Limited
Subsidiary of Holding Company	Goldiam Jewellery Limited Goldiam USA, Inc.
Associates	Goldiam HK Ltd Eco-Friendly Diamond LLP Sunshine Corporation Sunshine Exports Temple Designs LLP
Key Management Personnel	Mr. Nirav M. Mehta (Managing Director) Mr. Milan R. Mehta (Director) Mr. Rashesh M. Bhansali (Executive Chairman)
Relative of Key Management Personnel	Mr. Nehal Mehta (Son of Director) Mr. Anmol R. Bhansali (Son of Executive Chairman)

Details of transactions between the Company and its related parties are disclosed below:

b) Transactions during the year with related parties:

(Amounts are in lakhs unless stated otherwise)

Sr. No.	Particulars	Holding Company		Associates of Holding Company		Key Management Personnel		Relative of Key Management Personnel	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	Commission Paid Nehal Mehta	-	-	-	-	-	-	-	11.37
2	Sale of goods Sunshine Exports Goldiam Jewellery Ltd	-	-	-	10.01 0.91	-	-	-	-
3	Sale of Fixed Assets Goldiam International Limited Sunshine Corporation	-	6.29	-	-	-	-	-	-
4	Capital Reduction Sunshine Exports HK Limited (formerly known as Goldiam HK Limited)	-	-	0.02	-	-	-	-	-
5	Sales of Investment Sunshine Corporation	-	-	0.00	-	-	-	-	-



(Amounts are in lakhs unless stated otherwise)

Sr. No.	Particulars	Holding company		Subsidiary / Associates of Holding Company		Key Management Personnel		Relative of Key Management Personnel	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	<b>Outstanding Receivables</b>								
	Goldiam USA Inc	-	-	-	-	-	-	-	-
	Sunshine Exports HK Limited ( formerly known as Goldiam HK Limited)	-	-	2.01	2.01	-	-	-	-
	Goldiam International Limited	0.01	0.01	-	-	-	-	-	-
	Sunshine Corporation	-	-	0.00	0.00	-	-	-	-
	Eco-Friendly LLP	-	-	0.05	0.05	-	-	-	-
2	<b>Investment in Partnership Firm/ Associates</b>								
	Temple Designs LLP	-	-	0.95	0.95	-	-	-	-
	Sunshine Exports HK Limited ( formerly known as Goldiam HK Limited)	-	-	-	0.06	-	-	-	-




**DIAGOLD DESIGNS LIMITED**

**Financial statements as at and for the year ended March 31, 2021**

**Note 26 - Financial Risk Management:**

**i) Financial Instruments by Category :**

*(Amounts are in lakhs unless stated otherwise)*

Particulars	31st March, 2021		31st March, 2020	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>Financial assets :</b>				
<b>Investments</b>				
mutual funds Shares and Bond	-	-	34.98	0.06
<b>Loans</b>				
Trade receivables	-	16.86	-	18.11
Security deposits	-	0.41	-	2.53
Cash and cash equivalents	-	1,140.02	-	36.56
<b>Total</b>	-	1,157.28	34.98	57.26
<b>Financial Liabilities</b>				
Borrowings	-	-	-	-
Trade payables	-	1.21	-	1.30
<b>Total</b>	-	1.21	-	1.30

a) The carrying value of trade receivables, securities deposits, insurance claim receivable, loans given, cash and bank balances and other financial assets recorded at amortized cost, is considered to be a reasonable approximation of fair value.

The carrying value of borrowings, trade payables and other financial liabilities recorded at amortized cost is considered to be a reasonable approximation of fair value.

**II) Risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other	Rolling cash flow	Availability of committed
Market risk - foreign exchange	Recognised financial assets and liabilities denominated in Indian rupee	Cash flow forecasting not sensitivity analysis	Forward contracts
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Mix of borrowings taken at
Market risk - gold prices	Payables linked to gold prices	Sensitivity analysis	gold is purchased as forward or without any credit
Market risk - security price	Investments in equity	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department of the Company under policies approved by the Board of Directors. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, market risk, credit risk and investment of excess liquidity.



**Financial risk management**

**i) Financial instruments by category**

(Amounts are in lakhs unless stated otherwise)

Particulars	31st March, 2021		31st March, 2020	
	FVPTL	Amortized Cost	FVPTL	Amortized Cost
<b>Financial assets</b>				
Investments	-	-	34.92	0.06
mutual funds	-	-	-	-
Loans				
to subsidiaries	-	-	-	-
to other body corporates	-	-	-	-
Trade receivables	-	16.86	-	18.11
Security deposits	-	-	-	-
Cash and cash equivalents	-	1,140.02	-	36.56
Other receivables	-	30.55	-	108.50
Bank deposits	-	-	-	-
Total	-	1,187.43	34.92	163.23
<b>Financial liabilities</b>				
Borrowings				
Trade payables*	-	1.21	-	1.30
Other financial liabilities	-	5.45	-	3.80
Total	-	6.66	-	5.10



(a) The carrying value of trade receivables, securities deposits, insurance claim receivable, loans given, cash and bank balances and other financial assets recorded at amortized cost, is considered to be a reasonable approximation of fair value.

(b) The carrying value of borrowings, trade payables and other financial liabilities recorded at amortized cost is considered to be a reasonable approximation of fair value.

#### A) Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. The Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, mutual funds, bank deposits, loans and derivative financial instruments is considered negligible, since the counterparties are reputable organizations with high quality external credit ratings.

Company provides for expected credit losses on financial assets by assessing individual financial instruments for expectation of any credit losses. Since the assets have very low credit risk, and are for varied natures and purpose, there is no trend that the company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

#### Detail of trade receivables that are past due is given below:

*(Amounts are in lakhs unless stated otherwise)*

	As at 31-Mar-21	As at 31-Mar-20
Not due		
0-30 days past due	-	-
31-60 days past due	-	-
61-90 days past due	-	-
More than 90 days	-	-
*rounded off to nil	16.86	18.11
	-	-

#### B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### Financing arrangements



The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

PARTICULARS	<i>(Amounts are in lakhs unless stated otherwise)</i>	
	As at 31-Mar-21	As at 31-Mar-20
Expiring within one year (bank overdraft and other facilities)	-	-
Expiring beyond one year (bank loan)	-	-
<b>Total</b>	-	-

#### Contractual maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

<i>(Amounts are in lakhs unless stated otherwise)</i>						
31-Mar-2020						
PARTICULARS	Payable on demand	Less than 1 year	Less than 1-2 year	Less than 2-3 year	More than 3 year	Total
Non-derivatives						
Borrowings		-	-	-	-	-
Trade payable	-	-	1.21	-	-	1.21
Other financial liabilities	-	4.71	0.74	-	-	5.45
<b>Total</b>	-	4.71	1.95	-	-	6.66

<i>(Amounts are in lakhs unless stated otherwise)</i>						
31-Mar-2020						
PARTICULARS	Payable on demand	Less than 1 year	Less than 1-2 year	Less than 2-3 year	More than 3 year	Total
Non-derivatives						
Borrowings		-	-	-	-	-
Trade payable		1.30	-	-	-	1.30
Other financial liabilities		3.80	-	-	-	3.80
<b>Total</b>		5.10	-	-	-	5.10

#### C) Market risk - foreign exchange

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company, as per its overall strategy, uses forward contracts to mitigate its risks associated with fluctuations in foreign currency, and such contracts are not designated as hedges under Ind AS 109. The Company does not use forward contracts and swaps for speculative purposes.

##### Sensitivity

The company is now not exposed to foreign exchange risk as it has closed its foreign exchange exposure.

#### D) Interest rate risk

##### i) Liabilities

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. At 31 March 2021 the Company is not exposed to changes in market interest rates as there are no bank borrowings availed by the Company.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	<i>(Amounts are in lakhs unless stated otherwise)</i>	
	31-Mar-20	31-Mar-19
Variable rate borrowing		
Fixed rate borrowing	-	-
<b>Total Borrowings</b>	-	-

##### Sensitivity

The sensitivity to profit or loss in case of a reasonably possible change in interest rates of +/- 50 basis points (previous year: +/- 50 basis points), keeping all other variables constant, would have resulted in an impact on profit by ₹ Nil lakhs (previous year profits by ₹ Nil lakhs).

##### ii) Assets

The Company's financial assets are carried at amortized cost and are at fixed rate only. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



## E) Price risk

### Exposure from investments in mutual funds:

The Company's exposure to price risk arises from investments in mutual funds held by the Company and classified in the balance sheet as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

### Sensitivity

The sensitivity to profit or loss in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in an impact on loss by ₹ 7.81 lakhs (previous year profit by ₹ 10.72 lakhs).

### Exposure from trade payables:

The Company's exposure to price risk also arises from trade payables of the Company that are at unfixed prices, and, therefore, payment is sensitive to changes in gold prices. The option to fix gold prices are classified in the balance sheet as fair value through profit or loss. The option to fix gold prices are at unfixed prices to hedge against potential losses in value of inventory of gold held by the Company.

The Company applies fair value hedge for the gold purchased whose price is to be fixed in future. Therefore, there will no impact of the fluctuation in the price of the gold on the Company's profit for the period.

## Note 27 - Capital Management:

The Company's capital management objectives are:

to ensure the Company's ability to continue as a going concern

to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

<i>(Amounts are in lakhs unless stated otherwise)</i>		
(a) Particulars	31-Mar-21	31-Mar-20
Net debts	-	-
Total equity	0.01	0.01
Gearing Ratio	0.00%	0.00%
<b>(b) Dividends</b>		
<b>Particulars</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
(i) Equity shares	-	-

## Note 28 - Financial Risk Management:

### i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).



Financial assets and liabilities measured at fair value - recurring fair value measurements

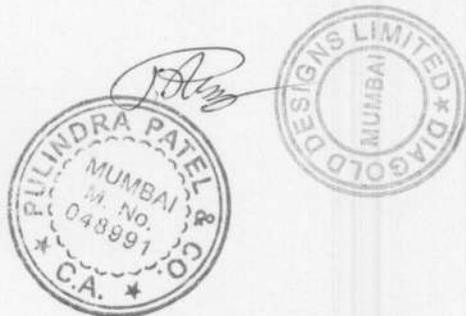
	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2021</b>				
<b>Financial assets</b>				
<b>Investments at fair value through profit or loss</b>				
Mutual funds	-	-	-	-
<b>Total financial assets</b>	-	-	-	-
<b>As at 31 March 2020</b>				
<b>Financial assets</b>				
<b>Investments at fair value through profit and loss</b>				
Mutual funds	34.98	-	-	34.98
<b>Derivative instruments</b>				
Option to fix prices of gold in purchase contracts				
<b>Total financial assets</b>	<b>34.98</b>	-	-	<b>34.98</b>

(ii) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) The use of quoted market prices for investments in mutual funds.

(b) Use of market available inputs such as gold prices and foreign exchange rates for option to fix prices of gold in purchase contracts and foreign currency forward contracts.



**DIAGOLD DESIGNS LIMITED**

**Financial statements as at and for the year ended March 31, 2021**

**Note 29 - Earnings Per Share:**

Particulars	31.03.2021	31.03.2020
<b>(a) Basic earnings per share</b>		
From continuing operations attributable to the equity holder of the company	24.55	(9.73)
<b>(b) Diluted earnings per share</b>		
From continuing operations attributable to the equity holders of the company	24.55	(9.73)

**(c) Reconciliation of earnings used in calculating earnings per share**

Particulars	31.03.2021	31.03.2020
<b>Basic earnings per share</b>		
Profits attributable to the equity holders of the company used in calculating basic earnings per share	1,158.62	(343.61)
From continuing operation		
Profits attributable to the equity holders of the company	<b>1,158.62</b>	<b>(343.61)</b>
Used in calculating earnings per share	1,158.62	(343.61)
Add:		
<b>Profits attributable to the equity holders of the company used in calculating diluted earnings per share</b>		

**(d) Weighted average number of shares used as the denominator**

Particulars	Number of shares	
	31.03.2021	31.03.2020
Weighted average number of equity shares used as the denominator in calculating basic earning per share	4719859	3999929
Adjustments for calculation of diluted earnings per share options	0.00	-467461
<b>Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earning per share</b>	<b>4719859</b>	<b>3532468</b>



**DIAGOLD DESIGNS LIMITED****Financial statements as at and for the year ended March 31, 2021****30 Going Concern Concept :**

The Company has closed its manufacturing activity of jewellery w.e.f. 12th December 2018. The company has Continued its trading activity in cut & polished diamonds and colour stones. With respect to the current scenario we are not in a position to express our opinion with respect to going concern concept in relation to the Company.

**31 Applicability of INDAS 105:**

The Company has closed the Manufacturing activity of Jewellery from 12th December, 2018 and as referred to in Ind As 105, the Assets related to Manufacturing activity has been classified as Non Current Assets held for sale.

**32 Contingent Liabilities Not Provided For:**

a The Company has executed Bank Guarantee of Rs. 160.00 lakhs against the Income Tax Demand, which is not paid as disputed by the Company which is as under :

INCOME TAX ASSESSMENT YEAR	Amount
A.Y. 2010-11	42.39
A.Y. 2013-14	112.94

33 During the year under review , the company completed buyback of 819998 equity shares at an average price of ₹ 53.30 per equity share and, accordingly, utilized ₹ 355.06 Lakhs (Excluding transaction costs) towards the buyback of shares and the company has incurred ₹ 0.26 lakhs as Buy Back Expenses. As referred to in Ind As 32 the amount utilized for Buy Back and expenses incurred for Buy Back has been reduced from Retain Earnings of the Company.

**34 Note on Covid -19 impact and its assessment:**

The COVID-19 pandemic is rapidly spreading throughout the world. The operations of the Company were impacted, due to shutdown

The company is about to resume its operations. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31st March, 2021. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

35 During the year under review, the company has sold its factory building at Goregaon for a sum of ₹ 1751.00 lakh after deducting expenses incurred in relation to sale of building a sum of ₹ 1576.71 been reflected as Exceptional Item in Profit and Loss account.

36 All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.



## 37 EARNINGS IN FOREIGN EXCHANGE:

	2020-21	2019-20
F.O.B.Value of Exports	Nil	Nil

## 38 VALUE OF IMPORTS ON C.I.F. BASIS :

PARTICULARS	2020-21	2019-20
1 Raw Material	Nil	Nil
2 Consumable Stores	-	-
3 Capital Goods	-	-
4 Foreign Travel	Nil	Nil
5 Other Expenditures	-	-
	Nil	Nil

## 39 REMUNERATION TO AUDITORS:

PARTICULARS	2020-21	2019-20
1 As Auditors	0.81	0.81
2 Taxation	0.10	0.10
3 Tax Audit Fees	-	-
4 Others	0.29	0.29
	1.20	1.20

40 The previous year's figures have been regrouped and rearranged wherever necessary to make in compliance with the current financial year.

For Pulindra Patel & Co.  
Chartered Accountants  
ICAI Firm Registration No. 115187A

Pulindra Patel  
Proprietor  
Mem No. : 048991  
UDIN No. : 21048991AAAAH16942  
Place : Mumbai  
Date : 30th April, 2021



For and on behalf of the Board Directors  
Diagold Designs Limited

Nirav M Mehta  
Managing Director  
Din - 017819

Place : Mumbai  
Date : 30th April, 2021

Rashesh M. Bhansali  
Director  
Din - 00057931

