



**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  
Mobile : 9322268243, 9619908533  
E-mail : pulindra\_patel@hotmail.com

To,  
The Members of  
Diagold Designs Limited  
Mumbai.

**INDEPENDENT AUDITORS' REPORT**

To the Members of DIAGOLD DESIGNS LIMITED  
Report on the Financial Statements

We have audited the accompanying financial statements of DIAGOLD DESIGNS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



...2...

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

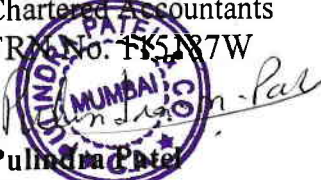
1. As required by the Companies (Auditor's Report) Order, 2015 ( CARO 2015) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

...3...



- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014, the extent applicable.
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
- (f) 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 :
- i) As informed to us, there is no legal matter pending before any court of law.
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, The company did not have long term contracts including derivative contracts except forward contract.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection fund by the company.

Place : Mumbai  
Date : 19<sup>th</sup> May, 2016

For Pulindra Patel & Co.  
Chartered Accountants  
FRN No. 115187W  
  
Pulindra Patel  
Proprietor  
Membership No. 48991



**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

Mobile : 9322268243, 9619908533

E-mail : pulindra\_patel@hotmail.com

**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, 2016]

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.
2. The Inventories have been physically verified during the year by the management. In our opinion, frequency of verification of inventory is reasonable. There is no material discrepancies noticed by the management.
3. According to the information and explanations given to us, the company has not granted 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.
4. As per the information and explanations provided to us, there is no loans, investments, guarantees and securities given by the company.
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 has not paid the Income Tax Demand for Assessment year 2012-13 as disputed in appeal is as follows.

Name of Statute / Description	Amount ₹ in lacs	Period to which the amount relates	Forum where dispute is pending
Income Tax	69.48	Assessment year 2012-13	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 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 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-IA of the Reserve Bank of India Act, 1934.

Place : Mumbai

Date : 19<sup>th</sup> May, 2016

**For Pulindra Patel & Co.**  
Chartered Accountants  
FRN No. PA5187W

  
(Pulindra Patel)

Proprietor  
Membership No. 048991



**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  
Mobile : 9322268243, 9619908533  
E-mail : pulindra\_patel@hotmail.com

**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, 2016 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.



...2...

: 2 :

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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of an authorised 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.



....3....



**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 31,2016, 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: 19<sup>th</sup> May, 2016

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



**PULINDRA M. PATEL**  
Proprietor  
Membership No. 48991

**DIAGOLD DESIGNS LIMITED**  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2016**

(Rupees In Lakhs)

	Notes No.	As at 31.03.2016 ₹	As at 31.03.2015 ₹
<b>I) EQUITY &amp; LIABILITIES :</b>			
<b>1) SHAREHOLDERS' FUNDS :</b>			
(a) SHARE CAPITAL	1	399.99	399.99
(b) RESERVES AND SURPLUS	2	2,349.00	2,316.58
(c) MONEY RECEIVED AGAINST SHARE WARRENTS			
		2,748.99	2,716.57
<b>2) NON-CURRENT LIABILITIES</b>			
(a) LONG - TERM BORROWINGS	3	6.11	-
(b) DEFERRED TAX LIABILITY (NET)		-	-
(c) OTHER LONG TERM LIABILITIES		-	-
(d) LONG - TERM PROVISIONS		-	-
		6.11	-
<b>3) CURRENT LIABILITIES</b>			
(a) SHORT TERM BORROWINGS	4	1,529.49	2,498.96
(b) TRADE PAYABLES	5	1,084.27	1,503.06
(c) OTHER CURRENT LIABILITIES	6	23.72	11.40
(d) SHORT - TERM PROVISIONS	7	70.35	55.94
		2,707.83	4,069.35
<b>TOTAL ₹</b>		<b>5,462.94</b>	<b>6,785.93</b>
<b>II) ASSETS :</b>			
<b>1) NON - CURRENT ASSETS</b>			
<b>(a) FIXED ASSETS</b>			
(i) TANGIBLE ASSETS	8	657.29	635.78
(ii) INTANGIBLE ASSETS	8	3.22	2.70
(iii) CAPITAL WORK - IN - PROGRESS			
(iv) INTANGIBLE ASSETS UNDER DEVELOPMENT			
(b) NON - CURRENT INVESTMENT	9	38.81	81.35
(c) DEFERRED TAX ASSETS (NET)	10	13.72	12.84
(d) LONG - TERM LOANS & ADVANCES	11	4.55	24.84
(e) OTHER NON - CURRENT ASSETS			
		717.59	757.52
<b>2) CURRENT ASSETS</b>			
(a) CURRENT INVESTMENT	12	1,572.84	1,862.78
(b) INVENTORIES	13	2,833.41	3,443.87
(c) TRADE RECEIVABLES	14	176.94	562.81
(d) CASH & BANK BALANCE	15	162.16	158.94
(e) SHORT - TERM LOANS & ADVANCES			
(f) OTHER CURRENT ASSETS			
		4,745.34	6,028.41
<b>TOTAL ₹</b>		<b>5,462.94</b>	<b>6,785.93</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
<b>NOTES ON ACCOUNTS</b>			
Schedules referred to above form an integral part of financial statement			
As per our report of even date.			

1 to 38

For Pulindra Patel & Co.  
 Chartered Accountants  
 FRN No.11518770

Pulindra Patel  
 Proprietor  
 Membership No. 048991



For and on behalf of the Board

Nirav M. Mehta  
 Managing Director  
 (DIN: 00017819)

Rashesh M. Bhansali  
 Director  
 (DIN: 00057931)

Place : Mumbai  
 Date : 19th May, 2016

Place : Mumbai  
 Date : 19th May, 2016

# DIAGOLD DESIGNS LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH , 2016

(Rupees In Lakhs)

	Notes No.	31.03.2016 Current Year ₹	31.03.2015 Previous Year ₹
I) REVENUE FROM OPERATIONS	16	5,661.75	6,533.13
II) OTHER INCOME	17	55.98	59.60
III) TOTAL REVENUE (I+II) ₹		5,717.73	6,592.72
IV) EXPENSES :-			
COST OF MATERIALS CONSUMED	18	4,263.68	4,057.64
PURCHASE FOR TRADING	19	173.40	1,238.08
CHANGES IN INVESTORIES OF FINISHED GOODS			
WORK-IN-PROGRESS AND STOCK-IN-TRADE	20	54.16	(75.25)
EMPLOYEE BENEFITS EXPENSES	21	186.60	160.06
FINANCE COSTS	22	103.52	126.31
DEPRECIATION, AMORTISATION AND IMPAIRMENT	8	29.67	46.44
OTHER EXPENSES	23	742.07	858.66
TOTAL EXPENSES ₹		5,553.10	6,411.94
V) PROFIT BEFORE TAX (III-IV) ₹		164.63	180.78
VI) TAX EXPENSES :			
- CURRENT TAX	24	60.88	90.96
- DEFERRED TAX LIABILITY/(ASSETS)	25	(0.88)	(6.33)
VII) PROFIT/(LOSS) FOR THE PERIOD FORM CONTINUING OPERATIONS ₹		104.63	96.15
VIII) PROFIT/(LOSS) FOR THE PERIOD ₹		104.63	96.15
IX) EARNINGS PER EQUITY SHARE (Face Value RS.10/-) :			
Basic		2.62	2.40
Diluted		2.62	2.40
SIGNIFICANT ACCOUNTING POLICIES NOTES ON ACCOUNTS	1 to 38		

Schedules referred to above form an integral part of financial statement  
As per our report of even date.

For Pulindra Patel & Co.

Chartered Accountants

FRN No.115187W

*Pulindra Patel*

Pulindra Patel

Proprietor

Membership No. 048991

Place : Mumbai

Date : 19th May, 2016



For and on behalf of the Board

*Nirav M. Mehta*

Nirav M. Mehta  
Managing Director  
(DIN: 00017819)

Place : Mumbai

Date : 19th May, 2016

*Rashesh M. Bhansal*

Rashesh M. Bhansal  
Director  
(DIN: 00057931)



**DIAGOLD DESIGNS LIMITED**  
**CASH FLOW OF THE YEAR ENDED 31.03.2016**

(Rupees In Lakhs)

PARTICULARS	2015-2016		2014-2015
	Current Year		Previous Year
	₹		₹
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>			
<b>NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS</b>		<b>164.63</b>	180.78
<b>ADJUSTMENT FOR:</b>			
Depreciation, Amortization And Impairment	29.67		46.44
Interest(Net)	97.61		118.28
(Profit)/Loss on sale of Investment (Net)	-		(0.05)
Net unrealised foreign exchange (gain)/ loss	(14.23)		(194.88)
Share of Loss/ (Profit) from LLP	14.24		(82.48)
(Profit) on sale of Assets	(0.80)		(0.05)
Loss on sale of Assets	-		0.09
		<b>126.49</b>	(112.66)
		<b>291.12</b>	68.13
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>			
<b>ADJUSTMENT FOR:</b>			
Long - Term Loans & Advances	20.29		107.87
Trade and other Receivable	658.44		146.96
Inventories	289.94		439.87
Trade Payable	(411.43)		(436.75)
		<b>557.25</b>	257.95
<b>CASH GENERATED FROM OPERATIONS:</b>		<b>848.38</b>	326.08
Interest Paid	(103.52)		(126.31)
Direct Tax Paid	(82.12)		(96.78)
		<b>(185.64)</b>	(223.09)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS:</b>		<b>662.73</b>	102.99
<b>NET CASH FROM OPERATING ACTIVITIES:</b>			
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets	(53.57)		(11.43)
Purchase of Investments In Mutual Fund	-		(35.00)
Introduction / Withdrawal of Capital from LLP	28.31		357.19
Sale of Investments in Mutual Fund	-		35.05
Sale of Fixed Assets	2.67		1.13
Interest Received	5.91		8.04
Dividend Paid	(40.00)		(80.00)
Tax on Dividend	(8.14)		(14.80)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(64.83)</b>	260.18
		<b>597.90</b>	363.17
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:-</b>			
Repayment of Long Term Borrowing	(983.77)		105.52
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(983.77)</b>	105.52
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(385.87)</b>	468.69
<b>CASH AND CASH EQUIVALENTS AS AT 31.03.15</b>		<b>562.81</b>	94.11
<b>CASH AND CASH EQUIVALENTS AS AT 31.03.16</b>		<b>176.94</b>	562.81

As per our report of even date.


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

  
Pulindra Patel  
Proprietor  
Membership No. 048991



For and on behalf of the Board

  
Nirav M. Mehta  
Managing Director  
(DIN: 00017819)

  
Rashesh M. Bhansali  
Director  
(DIN: 00057931)

Place : Mumbai  
Date : 19th May, 2016

Place : Mumbai  
Date : 19th May, 2016

**DIAGOLD DESIGNS LIMITED**

**FINANCIAL YEAR 01.04.2015 TO 31.03.2016  
STATEMENT OF CHANGES IN EQUITY**

(Rupees In Lakhs)

Particulars	Share Capital	Share Premium	Revaluation Reserves	General Reserves	Profit and Loss Account	Total
Balance at 31/03/2015	399.99	462.71	420.87	327.41	1,104.23	2,715.22
Profit for the Year	-	-	-	-	96.15	96.15
Transfer to General Reserves	-	-	-	-	-	-
Dividend (Including Dividend Distribution Tax)	-	-	-	-	(94.80)	(94.80)
<b>Balance at 31/03/2015</b>	<b>399.99</b>	<b>462.71</b>	<b>420.87</b>	<b>327.41</b>	<b>1,105.59</b>	<b>2,716.57</b>
Profit for the Year	-	-	-	-	104.63	104.63
Dividend (Including Dividend Distribution Tax)	-	-	-	-	(72.21)	(72.21)
<b>Balance at 31/03/2016</b>	<b>399.99</b>	<b>462.71</b>	<b>420.87</b>	<b>327.41</b>	<b>1,138.00</b>	<b>2,748.99</b>

For and on behalf of the Board



*Nirav M. Mehta*  
Nirav M. Mehta  
Managing Director  
(DIN: 00017819)

Date : 19th May, 2016

*Rashesh M. Bhansali*

Rashesh M. Bhansali  
Director  
(DIN: 00057931)



**DIAGOLD DESIGNS LIMITED**
**NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016**
**1 SHARE CAPITAL :**
*(Rupees In Lakhs)*

Particulars	As at 31/3/2016		As at 31/3/2015	
		₹		₹
<b>A AUTHORISED CAPITAL</b>				
4000000 Equity Shares of ₹ 10/- each		400.00		400.00
		<u>400.00</u>		<u>400.00</u>
<b>B ISSUED CAPITAL</b>				
3999929 Equity Shares of ₹ 10/- each		399.99		399.99
(Pre. Yr. 3999929 Equity Shares of ₹ 10/- each)				
		<u>399.99</u>		<u>399.99</u>
<b>C SUBSCRIBED AND PAID UP CAPITAL</b>				
3999929 Equity Shares of ₹ 10/- each		399.99		399.99
(Pre. Yr. 3999929 Equity Shares of ₹ 10/- each)				
		<u>399.99</u>		<u>399.99</u>

**1.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Details to be given for each class of shares separately for Issued, Subscribed and fully paid up and Subscribed but not fully paid up, as applicable.

*(Rupees In Lakhs)*

Particulars	As at 31/3/2016		As at 31/3/2015	
	Number of shares	₹	Number of shares	₹
<b>Equity shares with voting rights :</b>				
At the beginning of the year	3999929	399.99	3999929	399.99
Add : Addition during the year:	-	-	-	-
	<u>3999929</u>	<u>399.99</u>	<u>3999929</u>	<u>399.99</u>
Less : Deduction During the year :				
Year ended 31 March, 2016	<u>3999929</u>	<u>399.99</u>	<u>3999929</u>	<u>399.99</u>

**1.2 Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:**

Particulars	As at 31/3/2016		As at 31/3/2015	
<b>M/s. Goldiam International Limited, the holding company the ultimate holding company</b>				
Equity shares with voting rights		2039658		2039658
Equity shares with differential voting rights		-		-
Compulsorily convertible preference shares		-		-
Optionally convertible preference shares		-		-
Redeemable preference shares		-		-
		<u>2039658</u>		<u>2039658</u>

**1.3 Details of shares held by each shareholder holding more than 5% shares:**

Particulars	As at 31/3/2016		As at 31/3/2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Goldiam International Ltd.	2039658	51%	2039658	51%
Milan R. Mehta	729600	18%	729600	18%
Nehal Milan Mehta	487200	12%	487200	12%
Nirav Milan Mehta	416765	10%	416765	10%
Trupti Milan Mehta	255000	6%	255000	6%



**DIAGOLD DESIGNS LIMITED**
**NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016**
**2 RESERVES AND SURPLUS :**
*(Rupees In Lakhs)*

Particulars	As at 31/3/2016		As at 31/3/2015	
	₹	₹	₹	₹
I Security Premium :				
As per last Balance Sheet		462.71		462.71
II Revaluation Reserve				
As per last Balance Sheet		420.87		420.87
III General Reserve				
As per last Balance sheet	327.41		327.41	
Add : Transferred from Profit and Loss Account	-		-	
		327.41		327.41
IV Profit & Loss Account				
Surplus-Opening Balance	1,105.59		1,104.23	
Add : Profit for the year	104.63		96.15	
	1,210.22		1,200.38	
Less : Transferred to General Reserve				
Interim Dividend on Equity Shares	40.00		80.00	
Interim dividend ₹.1.00 per share (Previous year Interim Dividend ₹.2.00 per share)				
Proposed Dividend on Equity Shares	20.00		-	
Proposed dividend ₹.0.50 per share (Previous year Proposed Dividend ₹. Nil per share)				
Tax on Interim Dividend	8.14		14.80	
Tax on Proposed Dividend	4.07			
Surplus-Closing Balance		1,138.00		1,105.59
		2,348.99714		2,316.58

**3 LONG TERM BORROWINGS :**
*(Rupees In Lakhs)*

Particulars	As at 31/3/2016		As at 31/3/2015	
	₹	₹	₹	₹
ICICI Bank Car Loan	6.11		-	
		6.11		-
		6.11		-

**Car Loan taken from ICICI Bank is secured against Motor Car**

Type of Loan	Rate of Interest	Maturity Period
Loan for purchase of Motor Car	10.49%	15th April, 2018



**DIAGOLD DESIGNS LIMITED**
**NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016**
**4 SHORT TERM BORROWINGS :**

Particulars	(Rupees In Lakhs)	
	As at 31/3/2016	As at 31/3/2015
	₹	₹
<b>(a) Loans repayable on demand :</b>		
<b>From BANK</b>		
Packing Credit Loan (*)	1,210.24	1,048.40
Packing Credit in Foreign Currency Loan (*)	219.73	858.58
Post Shipment in Foreign Currency Loan (*)	92.98	591.98
	1,522.96	2,498.96
ICICI Bank Car Loan	6.54	-
	6.54	-
	1,529.49	2,498.96

\*Secured by hypothecation of Stock, Debtors and the Charge of The Bank on the block Assets of the Company and Lease hold Land and Factory Building other movable assets at R-1 Cama Industrial Estate, Walbhat Road, Goregaon (East), Mumbai -400063, the said limit is also secured by personal guarantee of Mr. Milan R. Mehta, Director.

**Details of term of repayment and rate of interest are as set out below:**

Type of Loan	Rate of Interest	Maturity Period
Pre-shipment credit in foreign currency	3.358% to 5.358%	Oct-15 to Mar -16
Post-shipment credit in foreign currency	3.358% to 5.358%	Oct-15 to Mar -16
Pre-shipment credit in rupee	11.00% to 13.00%	Oct-15 to Mar -16
Post-shipment credit in rupee	11.00% to 13.00%	Oct-15 to Mar -16

**Car Loan taken from ICICI Bank is secured against Motor Car**

(Rupees In Lakhs)		
Type of Loan	Rate of Interest	Maturity Period
Loan for purchase of Motor Car	10.49%	15th April, 2017

**5 TRADE PAYABLES :**

Particulars	(Rupees In Lakhs)	
	As at 31/3/2016	As at 31/3/2015
	₹	₹
<b>TRADE PAYABLES:</b>		
Dues of Micro, Medium & Small enterprises	1.62	0.40
Others	1,082.65	1,502.66
	1,084.27	1,503.06
	1,084.27	1,503.06

**DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES :**

	(Rupees In Lakhs)	
	As at 31/3/2016	As at 31/3/2015
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	1.62	0.40
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) The amount of further interest remaining of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are a deductible expenditure under, Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-
	1.62	0.40



*Handwritten signature in blue ink.*



**DIAGOLD DESIGNS LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016**

(Rupees In Lakhs)

**6 OTHER CURRENT LIABILITIES :**

Particulars	As at 31/3/2016		As at 31/3/2015	
	₹		₹	
Salaries due to Employees	0.80		0.87	
Bonus & incentives	4.76		0.96	
Provisions for expenses	0.93		3.60	
		6.49		5.43
Other payables :				
Dues of Micro, Medium & Small enterprises				
Others	16.48		5.22	
		16.48		5.22
Advance received from Customers		0.74		0.74
		23.72		11.40

(Rupees In Lakhs)

**7 SHORT - TERM PROVISIONS**

Particulars	As at 31/3/2016		As at 31/3/2015	
	₹		₹	
(a) Provision for employee benefits:				
Provision for Leave obligation	3.70		2.98	
Provision for Gratuity	13.48		10.12	
		17.18		13.10
(b) Provision - Others:				
(i) Provision for tax	29.10		42.84	
(ii) Proposed Dividend	20.00			
(iii) Provision for Tax on Proposed Dividend	4.07			
		53.17		42.84
		70.35		55.94



*[Handwritten signatures in blue ink]*

**DIAGOLD DESIGNS LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 st March, 2016**  
**8 FIXED ASSETS**

Description of Assets	Original Cost				Depreciation & amortization			Net book value	
	As at April 15	Addition during the period	deductions during the period	As at March 16	As at April 15	For the period	deductions during the period	As at March 16	As at April 15
<b>Tangible assets</b>									
Land : Free-hold	506.47	-	-	506.47	-	-	-	-	506.47
Land : Lease-hold	277.79	-	-	277.79	202.79	6.89	-	209.69	68.10
Building	15.05	0.29	-	15.34	11.65	1.27	-	12.91	2.42
Air Conditioner	23.25	0.77	-	24.02	22.60	0.56	-	23.16	0.85
Computer	43.37	-	-	43.37	40.20	0.98	-	41.19	2.18
Electrical Installation	174.72	1.82	-	176.54	140.16	8.14	-	148.30	28.24
Plant and equipment	22.26	1.60	-	23.86	19.88	2.11	-	21.99	1.87
Office equipment	127.09	26.41	-	153.50	121.53	5.04	-	126.57	26.93
Furniture & fixtures	22.33	21.36	14.27	29.43	17.73	3.87	12.40	9.20	20.23
Vehicles									
	<b>1,212.33</b>	<b>52.24</b>	<b>14.27</b>	<b>1,250.31</b>	<b>576.55</b>	<b>28.86</b>	<b>12.40</b>	<b>593.01</b>	<b>657.29</b>
<b>Intangible Assets:</b>									
Computer Software	11.44	1.32	-	12.77	8.74	0.81	-	9.54	3.22
	<b>11.44</b>	<b>1.32</b>	<b>-</b>	<b>12.77</b>	<b>8.74</b>	<b>0.81</b>	<b>-</b>	<b>9.54</b>	<b>2.70</b>
<b>Total</b>	<b>1,223.77</b>	<b>53.57</b>	<b>14.27</b>	<b>1,263.07</b>	<b>585.29</b>	<b>29.67</b>	<b>12.40</b>	<b>602.56</b>	<b>638.49</b>
Previous year	1,216.76	11.43	4.42	1,223.77	542.09	46.44	-	585.29	674.67





**DIAGOLD DESIGNS LIMITED**

**NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016**

**9 NON - CURRENT INVESTMENT**

(Rupees In Lakhs)

Particulars	As at 31/3/2016		As at 31/3/2015	
	₹		₹	
<b>(a) In Equity Shares of Joint Venture Company -</b> Unquoted, fully paid at cost 'GOLDIAM HK LIMITED' (No. of Shares 3900 Face Value of 1.00 HK Dollar Per Share)	0.23		0.23	
		0.23		0.23
<b>(b) In Partnership Firm with Limited Liability (LLP)</b> <b>Temple Designs LLP</b> (holding 51% share of Profit)	38.58		81.12	
		38.58		81.12
		<b>38.81</b>		<b>81.35</b>

**10 DEFERRED TAX ASSETS (NET)**

(Rupees In Lakhs)

Particulars	As at 31/3/2016		As at 31/3/2015	
	₹		₹	
<b>(a) Deferred Tax Assets :</b>				
Depreciation and Amortization Difference	12.66		11.87	
Provision for Employee Benefit	1.06		0.97	
		13.72		12.84
		13.72		12.84

**11 LONG - TERM LOANS & ADVANCES :**

(Rupees In Lakhs)

Particulars	As at 31/3/2016		As at 31/3/2015	
	₹		₹	
<b>(a) Security deposits:</b>				
Secured, considered good				
Unsecured, considered good	4.55		24.84	
Doubtful				
		4.55		24.84
		4.55		24.84

**12 INVENTORIES**

(Rupees In Lakhs)

Particulars	As at 31/3/2016		As at 31/3/2015	
	₹		₹	
Stock of Consumable Stores (at cost)	6.39		7.22	
Raw Materials	1,261.56		1,496.52	
Stock in Process	121.28		102.52	
Finished Goods	183.60		256.52	
		1,572.84		1,862.78

Note : Inventories other than Stores are valued at cost or net realizable value whichever is less

**13 TRADE RECEIVABLES**

(Rupees In Lakhs)

Particulars	As at 31/3/2016		As at 31/3/2015	
	₹		₹	
(Unsecured)				
Outstanding for a period exceeding six months from the date they are due for payment				
- Considered good	631.76		139.08	
- Considered doubtful				
		631.76		139.08
Other Debts				
- Considered good	2,201.65		3,304.80	
- Considered doubtful				
		2,201.65		3,304.80
		<b>2,833.41</b>		<b>3,443.87</b>



*[Handwritten signature]*

**DIAGOLD DESIGNS LIMITED**

**NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016**

**14 CASH & BANK BALANCE**

*(Rupees In Lakhs)*

Particulars	As at 31/3/2016	As at 31/3/2015
	₹	₹
Cash On Hand	0.32	0.17
Balance with Banks in		
- Current Account	106.19	497.36
- Fixed Deposit with Banks	70.43	65.28
	<b>176.94</b>	<b>562.81</b>

**15 SHORT TERM LOANS & ADVANCES :**

Particulars	As at 31/3/2016	As at 31/3/2015
	₹	₹
<b>Loans and advances to Employees :</b>		
Unsecured, considered good	0.25	0.42
considered doubtful		
	0.25	0.42
Prepaid Expenses	12.26	10.80
Advance Tax	7.75	0.25
Balances with government authorities :		
Vat, Service Tax and Duty Draw Back Receivable	136.42	141.96
	156.43	153.01
<b>Others :</b>		
Secured, considered good		5.52
Unsecured, considered good	5.48	
Doubtful		
	5.48	5.52
	<b>162.16</b>	<b>158.94</b>



*[Handwritten signature]*

**DIAGOLD DESIGNS LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 st MARCH, 2016**

**16 REVENUE FROM OPERATIONS :**

(Rupees In Lakhs)

Particulars	As at 31/3/2016	As at 31/3/2015
	₹	₹
Sale of products @ (Refer Note (i) below)	5,497.28	6,371.11
Sale of services @ (Refer Note (ii) below)	164.47	162.02
	<b>5,661.75</b>	<b>6,533.13</b>
<b><i>Sale of products comprises :</i></b>		
<b><i>Manufactured goods :</i></b>		
Sales of gold Jewellery	5,109.64	5,201.76
Sales of Silver Jewellery	2.36	1.64
Sales of Other Misc. Products	0.08	0.01
	<b>5,112.08</b>	<b>5,203.41</b>
<b><i>Traded goods :</i></b>		
Sales of Cut & Polished Diamond	380.76	1,164.41
Sales of Metals	4.43	3.29
	<b>385.19</b>	<b>1,167.70</b>
<b><i>Sale of Services :</i></b>		
Job Work Income	164.47	162.02
	<b>164.47</b>	<b>162.02</b>

**17 OTHER INCOME :**

(Rupees In Lakhs)

Particulars	As at 31/3/2016	As at 31/3/2015
	₹	₹
Interest Income	5.91	8.04
Other Miscellaneous Income	-	0.75
Profit on Sale of Fixed Assets	0.80	0.05
Net Gain on Foreign currency transaction & Translation	49.28	50.77
	<b>55.98</b>	<b>59.60</b>

**18 COST OF MATERIALS CONSUMED :**

(Rupees In Lakhs)

Particulars	As at 31/3/2016	As at 31/3/2015
	₹	₹
<b>OPENING STOCK OF RAW MATERIALS</b>	1,496.52	2,011.51
<b>PURCHASES OF RAW MATERIALS</b>		
Purchases - Gold	1,194.33	1,103.27
Purchases - Gold Findings	0.29	13.29
Purchases - Silver	0.37	0.45
Purchases - Silver Findings	0.11	-
Purchases - Silver Master	2.56	4.60
Purchases - C & P Diamonds	2,815.99	2,400.97
Purchases - Alloys	13.28	13.03
Purchases - Gold Mounting	-	5.35
Purchases - Colour Stones	1.79	1.69
Purchases - Alfa Cast Jewellery	-	-
Purchases - Platinum	-	-
	<b>4,028.73</b>	<b>3,542.65</b>
<b>CLOSING STOCK OF RAW MATERIALS</b>	1,261.56	1,496.52
	<b>4,263.68</b>	<b>4,057.64</b>



*[Handwritten signature in blue ink]*



**DIAGOLD DESIGNS LIMITED**

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 st MARCH, 2016

**19 PURCHASES FOR TRADING:**

(Rupees In Lakhs)

Particulars	As at 31/3/2016	As at 31/3/2015
	₹	₹
Purchases - C & P Diamonds	166.86	1,227.58
Purchase - Colour Stones	5.84	2.05
Purchases - Gold Jewellery	0.60	8.46
Purchases - Gold Findings	0.10	-
	<b>173.40</b>	<b>1,238.08</b>

**20 CHANGES IN INVESTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE :**

(Rupees In Lakhs)

Particulars	As at 31/3/2016	As at 31/3/2015
	₹	₹
Opening Stocks -Work in Process	102.52	27.42
Opening Stocks - Finished Goods	256.52	256.37
	<b>359.05</b>	<b>283.80</b>
Less : Closing Stocks -Work in Process	121.28	102.52
Closing Stocks -Finished Goods	183.60	256.52
	<b>304.88</b>	<b>359.05</b>
	<b>54.16</b>	<b>(75.25)</b>

**21 EMPLOYEE BENEFITS EXPENSES :**

(Rupees In Lakhs)

Particulars	As at 31/3/2016	As at 31/3/2015
	₹	₹
Wages, Salaries And Other Benefits	115.98	109.21
Director's Remuneration	51.00	32.00
PF - Employer's Share A/C	4.01	3.17
M.L.W.F.- Employer's Shares	0.02	0.02
E.S.I.C. - Employer's Shares	1.35	1.28
Staff Welfare	14.24	14.38
	<b>186.60</b>	<b>160.06</b>

**EMPLOYEE BENEFIT :**
**GRATUITY :**

The Company has provided Gratuity and liable to the employee for the benefit equivalent to fifteen days / 26 Days salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service , or retirement, whichever is earlier. The benefit vests after five years of continuous service.

(Rupees In Lakhs)

Assumptions	Gratuity Funded	Gratuity Funded	Leave Encashment	Leave Encashment
	As at 31/3/2016	As at 31/3/2015	Non Funded	Non Funded
	₹	₹	31.03.2016	31.03.2015
<b>Reconciliation of opening and closing balances of the present value of the defined benefit</b>				
<b>Obligation:</b>				
Obligation at period beginning	10.12	6.35	2.98	6.19
Current service cost	2.81	2.62	0.95	1.04
Interest cost	0.77	0.48	0.23	0.46
Actuarial (gain) / loss	(0.01)	0.83	(0.43)	(4.32)
Benefits paid	(0.21)	(0.17)	(0.03)	(0.39)
Obligation at period end of the year	<b>13.48</b>	<b>10.12</b>	<b>3.70</b>	<b>2.98</b>
<b>Change in Plan assets</b>				
Plan assets at period beginning , at fair value	6.04	3.32	-	-
Expected return on plan assets	0.56	0.49	-	-
Actuarial (gain) / loss	0.52	0.38	-	-
Contribution	2.13	2.03	0.03	0.39
Benefits paid	(0.21)	(0.17)	(0.03)	(0.39)
Plan assets at period end , at fair value	<b>9.03</b>	<b>6.04</b>	<b>-</b>	<b>-</b>



**DIAGOLD DESIGNS LIMITED**

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 st MARCH, 2016

(Rupees In Lakhs)

Assumptions	Gratuity Funded	Gratuity Funded	Leave Encashment	Leave Encashment
	As at 31/3/2016	As at 31/3/2015	Non Funded	Non Funded
	₹	₹	As at 31/3/2016	As at 31/3/2015
<b>Fair Value of Plan Assets</b>				
Fair Value of plan assets at beginning of year	6.04	3.32	-	-
Actual return on plan assets	0.56	0.49	-	-
Contributions	2.13	2.03	0.03	0.39
Benefits paid	(0.21)	(0.17)	(0.03)	(0.39)
Fair Value of plan assets at the end of year	9.03	6.04	-	-
Funded status			(3.70)	(2.98)
Excess of Actual over estimated return				
<b>Reconciliation of present value of the obligation and the fair value of plan assets</b>				
Fair value of plan assets at the end of the period	9.03	6.04	-	-
Present value of the defined benefit obligation at the end of the period	(13.48)	(10.12)	(3.70)	(2.98)
Assets / (Liability) recognized in the balance sheet	(4.44)	(4.08)	(3.70)	(2.98)
<b>Expenses for the year</b>				
Current service cost	2.81	2.62	0.95	1.04
Interest cost on benefit obligation	0.77	0.48	0.23	0.46
Expected return on plan assets	(0.56)	(0.49)	-	-
Actuarial (gain)/loss	(0.53)	0.46	(0.43)	(4.32)
Net actuarial (gain)/loss recognized in the year	2.49	3.08	0.75	(2.82)
Actual return on plan assets	0.56	0.49	-	-
Estimated contribution to be made in next annual year	-	-	-	-

Assumptions	31st March 2016	31st March 2015	31st March 2016	31st March 2015
	Gratuity	Gratuity	Leave Salary	Leave Salary
Discount Rate	7.74%	7.74%	7.74%	7.74%
Employee Turnover	6.00%	5.00%	5.00%	5.00%

The estimates of future salary increases , considered in actuarial valuation , take account of inflation, seniority , promotion, and other relevant factors, such as supply and demand in the employment market.

**Amounts Benefit Plan**
**(i) Defined Benefit Plan :**

Gratuity includes gratuity cost of Rs. 0.21/- ( Previous Year 2015 : Rs. 0.17/-.)

**(ii) Contributions :**

Contribution to Provident Fund is Rs.: 4.01/- ( Previous Year 2015 Rs 3.17/- ) ESIC and Labour Welfare Fund Includes Rs.1.37/-(Previous Year 2015 Rs.1.29/-)

**22 FINANCE COST :**

(Rupees In Lakhs)

Particulars	As at 31/3/2016	As at 31/3/2015
	₹	₹
Interest On Bank Loan	103.42	126.19
Interest To Others	0.00	0.04
Stamp Duty	0.10	0.08
	<b>103.52</b>	<b>126.31</b>



Handwritten signature in blue ink.



**DIAGOLD DESIGNS LIMITED**  
**NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 st MARCH, 2016**

**23 OTHER EXPENSES :**

(Rupees In Lakhs)

Particulars	As at 31/3/2016	As at 31/3/2015
	₹	₹
Electricity Charges	34.40	34.17
Assortment, Refining & Grooving Charges	26.92	24.67
Repairs & Maint. (Machinery)	2.00	3.95
Jewellery Designing Charges	5.32	4.96
Stores & Spares	31.84	37.19
Labour Charges	208.72	222.95
Water Charges	1.37	1.20
Repairs And Maintenance	50.00	10.84
Rent, Rates And Taxes	11.71	5.07
Auditors Remuneration	1.50	1.41
Legal & Professional Charges	91.78	101.08
Office & Miscellaneous Exp.	39.62	32.61
Travelling & Conveyance	34.37	38.94
Selling & Distribution Expenses	118.33	136.77
Bad Debts	17.50	60.79
Reduction In Sales Realization	1.77	7.63
Service Tax	3.77	5.44
Bank Charges	46.91	46.44
Share of Loss From LLP	14.24	82.48
Loss on sale of Fixed Assets	-	0.09
	<b>742.07</b>	<b>858.66</b>

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

**22.1 Stores & Spares, Consumables**

(Rupees In Lakhs)

Particulars	2015-16	2014-15	2015-16	2014-15
	₹	₹	%	%
<b>Stores &amp; Spares, Consumables</b>				
<i>A) Imported</i>	0.21	0.20	0.67%	0.54%
<i>B) Indigenous</i>	31.63	36.99	99.33%	99.46%

**24 TAX EXPENSES :**

(Rupees In Lakhs)

Particulars	As at 31/3/2016	As at 31/3/2015
	₹	₹
<b>CURRENT TAX :</b>		
Income Tax	60.88	90.96
	<b>60.88</b>	<b>90.96</b>

**25 DEFERRED TAX :**

(Rupees In Lakhs)

Particulars	As at 31/3/2016	As at 31/3/2015
	₹	₹
<b>DEFERRED TAX</b>		
Deferred Tax Assets	(0.88)	6.33
	<b>(0.88)</b>	<b>6.33</b>



*[Handwritten signature]*

**SIGNIFICANT ACCOUNTING POLICIES :****A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

The financial statements have been prepared and presented under historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed under section 133 of The Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 to the extent applicable. The Financial Statements have been prepared under historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out in prior year. The financial statements are presented in Indian rupees rounded off to the nearest lakhs.

**B) USE OF ESTIMATES :**

The preparation of financial statements in conformity with generally accepted accounting principals ( GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and reported amounts of revenue and expenses for the year. Examples of such estimates include transfer pricing adjustments, provisions for future obligation under employee benefit plans, useful lives of fixed assets. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**C) FIXED ASSETS :****I) Tangible Assets :**

Tangible Fixed Assets (excluding Land & Building ) are stated at cost of acquisition or construction ( Net of VAT wherever applicable). They are stated at historical cost less accumulated depreciation and Impairment loss. Land and Building has been revalued at market value as on 31.03.2007. Difference in market value and historical cost has been transferred to revaluation reserve account as on 31.03.2007.

**II) Intangible Assets :**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion.

**D) DEPRECIATION :****I) Property, Plant & Equipment :**

Depreciation on Assets is provided on "Written Down Value" method and at the rates prescribed in Schedule II of the Companies Act,2013. Depreciation on addition to fixed assets is provided on prorata basis from the date of acquisition or installation. Depreciation on assets sold, discarded, demolished or scrapped, is provided up to the month in which the said assets is sold, discarded, demolished or scrapped.

**II) Intangible Assets :**

Expenditure on Computer software is amortised on straight line method over the period of expected benefit not exceeding five years.

**E) IMPAIRMENT OF ASSETS :**

- i) The Carrying values of assets are reviewed at each Balance Sheet date for indicators of impairment based on internal / external Factors. An Impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.
- ii) After Impairment, depreciation is provided on the revised carrying amount of the assets.
- iii) A Previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if no impairment loss had been recognized.

**F) INVENTORIES :**

- i) Raw materials are valued at cost or net realizable value, whichever is lower on first in first out basis.
- ii) Stores and Spares are valued at cost on first in first out basis.
- iii) Work in progress, manufactured finished goods and traded goods are valued at lower of cost and net realizable value. Cost of work in progress and manufactured finished goods comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Trading goods are valued at Cost or net realizable value, whichever is lower.

Note : Inventories of cut and polished diamonds are valued at cost or market price whichever is lower based on the valuation report obtained from Government approved Valuer.

**G) FOREIGN CURRENCY TRANSACTIONS :**

- a) Investments in foreign entity is recorded at the exchange rate prevailing on the date of investment. Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Profit and Loss Account. Monetary assets and liabilities denominated in foreign currencies, as at the balance sheet date, not covered by forward exchange contracts are recorded at the year end rate. Monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and is recognized over the life of the contract.
- b) Monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and is recognized over the life of the contract.
- c) The Company uses foreign exchange forward contracts and options to hedge its exposure to movements in foreign exchange rates. These foreign exchange forward contracts and options are not used for trading or speculation purpose. Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognized as income or expense for the year. In respect of foreign currency option contracts which are entered into to hedge highly probable forecasted transactions the cost of these contracts, if any, is expensed over the period of the contract. Any profit or loss arising on settlement or cancellation of currency options is recognized as income or expense for the period in which settlement or cancellation takes place. The effect of these currency

**H) INVESTMENTS :**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at the lower of cost or fair value, determined on an individual investment basis. Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately in respect of individual investment.



# DIAGOLD DESIGNS LIMITED

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

FINANCIAL YEAR 2015-2016

## I) REVENUE RECOGNITION :

Revenues/Incomes and Cost/Expenditures are generally accounted on accrual basis as they are earned or incurred.

### Sales :

Domestic sales are accounted on dispatch of products to customers and Export sales are accounted on the basis of dates of Bill of Lading. Domestic Sales are disclosed net of Value Added Tax, discounts and returns as applicable.

### Profit / (Loss) on Sale of Investments :

Profit on sale of investments is recognized as income in the period in which the investment is sold/ disposed off.

### Dividend :

Dividend Income is recognized when the right to receive the income is established.

### Interest :

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

## J) EMPLOYEE BENEFITS :

### (i) Short-term employee benefits :

All employee benefits payable within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia.

### (ii) Defined Contribution Plan :

Defined Benefit plans of the company comprise gratuity, provident fund and pension plans.

Employee benefits in the form of contribution to Provident fund managed by Government authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the contributions are charged to the Profit and Loss Account of the year when the contributions

### (ii) Defined Benefit Plan :

Retirement benefits in the form of Gratuity benefit is considered as defined benefit obligation and is provided for on the basis of an actuarial valuation.

### Gratuity :

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of given years of service. The company makes contribution to employees group gratuity fund established by Life Insurance Corporation of India.

### Actuarial Valuation :

The liability in respect of all defined benefit plans is accrued in the books of on the basis of actuarial valuation carried out by an independent actuary using Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses, if any are immediately recognized in the statement of profit and

## K) RESEARCH AND DEVELOPMENT EXPENDITURE:

Revenue expenses on Research & Development are charged to the Profit & Loss Account in the year in which these are incurred. Capital expenditure is taken as addition to the fixed assets.

## L) EARNING PER SHARE :

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

## M) PROVISION FOR CURRENT AND DEFERRED TAX :

Tax expense comprising of Current and deferred tax :

Provision for current tax has been made in accordance with the direct tax laws prevailing for the relevant assessment years.

Deferred income tax reflects the impact of current year timing differences between taxable income / losses and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured on the tax rates and tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In respect of carry forward losses deferred tax assets are recognized only to the extent there is virtual certainty that

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that

## N) SEGMENT INFORMATION :

### (i) Identification of Segments :

The Company has identified two segments mainly Jewellery Manufacturing and Trading in Diamonds.

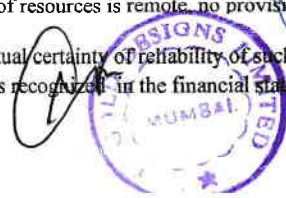
### ii) Segment Policies :

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

## O) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

A Provision is created when an enterprise has a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount and it is probable that an outflow of resources will be required to settle the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize assets which are of contingent nature until there is virtual certainty of reliability of such assets. However, if it has become virtual certain that an inflow of economic benefits will arise, assets and related income is recognized in the financial statements of the period in which the change occurs.





**DIAGOLD DESIGNS LIMITED**

FINANCIAL YEAR 2015-2016

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

## 26 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :

a) The company has demand in respect of Income Tax ₹ 69,48,050/- for the Ass. Year 2012-2013.

27 Estimated amount of Contracts remaining to be executed on Capital Account and not provided for Rs nil (Previous year Rs nil.)

## 28 IN THE OPINION OF THE DIRECTORS:

a) The Current Assets and Loans &amp; Advances are approximately of the value stated, if realized in the ordinary course of business.

b) The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary

## 29 Details of Related parties transactions are as under.

## 1) List of related parties and relationship

Relationship	Name of the Related Parties
Holding Company	Goldiam International Limited
Joint Venture / Associates	Temple Designs LLP
Enterprise over which Key Managerial Personnel has direct control	Goldiam HK Limited Sunshine Corporation Goldiam Jewellery Limited
Key Management Personnel	Mr. Manahar R. Bhansali Chairman Mr. Milan R. Mehta Whole Time Director Mr. Nirav M. Mehta Managing Director Mr. Rashesh M. Bhansali Director Mr. Ajay Khatlawala Director
Relative of Key Management Personnel	Mr. Nehal Milan Mehta (Son of Whole-Time Director) Sunshine Exports (Whole-Time Director's Brother is Partner in Firm)

## 2) Transaction during the year with related parties:

Sr. No.	Nature of Transaction	Holding Company		Key Management Personnel		Relative of Key Management Personnel		Enterprises over which Key Management personnel having direct control	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
i)	Payments to & Provisions for Directors remuneration	-	-	51.00	32.00	-	-	-	-
ii)	Investment in Limited Liability Partnership Firm withdrawn	-	-	-	-	-	-	28.31	192.22
iii)	Loans Repaid	-	-	-	-	-	-	-	75.34
iv)	Interest Received on Loan Given	-	-	-	-	-	-	-	12.34
v)	Share of Loss from LLP	-	-	-	-	-	-	14.24	82.48
vi)	Sale of goods	0.08	0.01	-	-	-	-	308.54	469.59
vii)	Purchase of Fixed Assets	-	-	-	-	-	-	-	8.37
viii)	Purchase of Goods	45.70	-	-	-	-	-	275.27	126.06
ix)	Professional Charges	-	-	-	-	15.70	17.50	-	-
x)	Commission	-	-	-	-	11.68	4.50	-	-
a)	Outstanding Loan given as on 31st March	-	-	-	-	-	-	-	-
b)	Outstanding Receivables as on 31st March	-	0.00	-	-	-	-	58.12	207.71
c)	Outstanding Payables as on 31st March	6.81	-	-	-	-	-	-	13.16
d)	Outstanding Bal. in Capital A/c as on 31st March	-	-	-	-	-	-	52.82	81.12



Handwritten signature in blue ink, appearing to be 'Am'.

**DIAGOLD DESIGNS LIMITED**

FINANCIAL YEAR 2015-2016

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

**3) Disclosure in respect of Transaction with related parties during the year**

Sr. No.	Nature of Transaction	Holding Company Goldiam International Limited	Key Managerial Personnel			Relative Key Managerial Personnel Nehal Mehta	Enterprises over which Key Managerial personnel having direct control					
			Milan Mehta	Nirav Mehta	Temple Designs LLP		Goldiam HK Limited	Sunshine Corporation	Sunshine Exports	Goldiam USA Inc.	Goldiam Jewellery Limited	
i)	Payments to & Provisions for Directors remuneration	-	9.00	42.00	-	-	-	-	-	-	-	-
		-	(3.75)	(28.25)	-	-	-	-	-	-	-	-
ii)	Investment in Limited Liability Partnership Firm withdrawn	-	-	-	-	28.31	-	-	-	-	-	-
		-	-	-	-	(192.22)	-	-	-	-	-	-
iii)	Loans Repaid	-	-	-	-	-	(75.34)	-	-	-	-	-
iv)	Interest Received on Loan Given	-	-	-	-	-	(12.34)	-	-	-	-	-
v)	Share of Loss from LLP	-	-	-	-	14.24	-	-	-	-	-	-
		-	-	-	-	(82.48)	-	-	-	-	-	-
vi)	Sale of goods	0.08	-	-	-	-	306.55	1.83	-	0.16	-	-
		(0.01)	-	-	-	-	(469.24)	(0.35)	-	-	-	(0.00)
vii)	Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	(8.37)	-	-	-	-	-
viii)	Purchase of Goods	45.70	-	-	-	9.44	264.43	1.40	-	-	-	-
		-	-	-	-	(37.92)	(74.41)	(0.35)	(13.37)	-	-	-
ix)	Professional Charges	-	-	-	15.70	-	-	-	-	-	-	-
		-	-	-	(17.50)	-	-	-	-	-	-	-
x)	Commission	-	-	-	11.68	-	-	-	-	-	-	-
		-	-	-	(4.56)	-	-	-	-	-	-	-

a)	Outstanding Loan given as on 31st March	-	-	-	-	-	-	-	-	-	-	-
b)	Outstanding Receivables as on 31st March	(0.00)	-	-	-	-	56.29	1.83	-	-	-	-
							(207.71)					
c)	Outstanding Payables as on 31st March	6.81	-	-	-	-	-	-	-	-	-	-
							(13.16)					
d)	Outstanding Bal. in Capital A/c as on 31st March	-	-	-	-	52.82	-	-	-	-	-	-
						(81.12)						



*[Handwritten signature]*



**DIAGOLD DESIGNS LIMITED**

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

FINANCIAL YEAR 2015-2016

30 EARNING PER SHARE :	(Rupees In Lakhs)	
	As on 31.03.16	As on 31.03.15
Profit after Tax ( Rs. In Lacs)	104.63	96.15
No. of shares outstanding	3999929	3999929
Weighted Avg. No. of shares + potential shares o/s	3999929	3999929
Earning per share(Basic)	2.62	2.40
Earning per share(Diluted)	2.62	2.40

31 VALUE OF IMPORTS ON C.I.F. BASIS :	(Rupees In Lakhs)	
	2015-16	2014-15
<b>PARTICULARS</b>		
1 Raw Material	431.50	1,139.89
2 Consumable Stores	-	-
3 Capital Goods	-	-
4 Foreign Travel	7.57	32.42
4 Other Expenditures	0.99	-
	440.06	1,172.31

32 EARNINGS IN FOREIGN EXCHANGE:	(Rupees In Lakhs)	
	2015-16	2014-15
1 F.O.B.Value of Exports	5,107	5,167

33 REMUNERATION TO AUDITORS:	(Rupees In Lakhs)	
	2015-16	2014-15
Particulars		
As Auditors	1.07	0.99
Taxation	0.11	0.11
Tax Audit Fees	0.16	0.16
Others	0.16	0.16
Total Rs.	1.50	1.41

34 FINANCIAL INSTRUMENTS / FORWARD CONTRACTS :	(Rupees In Lakhs)			
	US\$	Amount	US\$ in Lakhs	Amount
I) Unhedged Foreign Currency Exposure :	31.03.2016	31.03.2016	31.03.2015	31.03.2015
i) Outstanding Receivables	\$ 37.07	2,455.89	\$ 48.61	3,042.02
ii) Outstanding Payable for Foreign Outward Bill Discount Account	\$ 1.40	92.98	\$ 9.46	591.98
iii) Outstanding Payable for Packing Credit Loan in Foreign Currency	\$ 3.31	219.73	\$ 13.72	858.58
iv) Outstanding Creditors for goods and Spares	\$ 14.53	963.91	\$ 19.70	1,232.96
v) Exchange Earner's Foreign Currency a/c with Banks	\$ 0.00	0.06	\$ -	-

35 Reporting under section 186 (4) of the Companies Act, 2013, is not applicable to the company, as there is no loan given to any person during the year.

37 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.

38 Previous Year figures have been rearranged or re-grouped, wherever necessary.

as per our report of even date  
For Pulindra Patel & Co.  
Chartered Accountants  
FRN No : 115187W

*Pulindra Patel*  


Pulindra Patel  
Proprietor  
Membership No. 048991  
Place : Mumbai  
Date : 19th May, 2016

For and on behalf of the Board



*Nirav M. Mehta*  
Nirav M. Mehta  
Managing Director  
(DIN: 00017819)  
Place : Mumbai  
Date : 19th May, 2016

*Rashesh M. Bhansali*  
Rashesh M. Bhansali  
Director  
(DIN: 00057931)