

DIAGOLD DESIGNS LIMITED

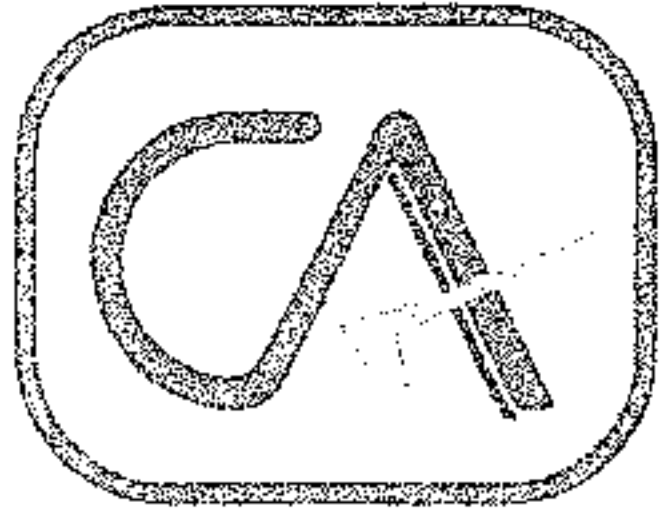
REGISTERED OFFICE

*R-1, Cama Industrial Estate,
Bajrang Nagar, Walbhat Road,
Goregaon (East), Mumbai – 400 063*

18TH ANNUAL REPORT

YEAR

2017-2018



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

PULINDRA PATEL & CO.
CHARTERED ACCOUNTANTS
307, Gold Mohur Co-Op. Housing Society,
174, Princess Street, Mumbai- 2.
Tel No. : 022-22056233, 022-43472356
Mobile : 9322268243
e-mail : pulindra_patel@hotmail.com

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, 2018, and the Statement of Profit and Loss (Including other comprehensive income) and Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind As 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 Ind As these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified in the companies (Indian Accounting Standard) rules 2015 (as amended) under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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Auditor's Responsibility

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

We have taken into account the provisions of the Act and the Rules made there under including 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.

We conducted our audit of the Ind AS Financial Statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind As financial statements.

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

Opinion

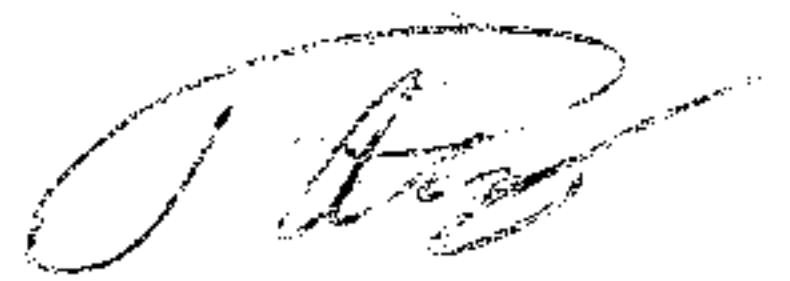
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, 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.



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Report on Other Legal and Regulatory Requirements



1. 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 Act, (The Order) and on the basis of such checks of the books and records of the company as we consider appropriate and according to the information and explanations given to us , we give in "Annexure B" 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 sought and 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.
 - (c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
 - (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 A'.
 - (g) 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 explanations given to us :



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- i) The company has disclosed the impact of pending litigations as at 31st March, 2018 on its financial position in its Ind AS financial position in its standalone financial statements – refer Note 32 to the Ind AS financial statements.
- ii) The Company did not have any long term contracts including derivate contracts as at 31st March, 2018.
- 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 31st March, 2018.
- iv) The reporting of on disclosure relating to Specified Bank Note is not applicable to the Company for the year ended 31st March, 2018.

Place : Mumbai
Date : 9th May, 2018


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

(Pulindra Patel)
Proprietor
Membership No. 048991



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

PULINDRA PATEL & CO.
CHARTERED ACCOUNTANTS
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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 31st March, 2018]

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 are 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.

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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 following assessment years 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	43.46	Assessment year 2010-11	Commissioner of Income Tax Appeals
Income Tax	37.99	Assessment year 2011-12	Commissioner of Income Tax Appeals
Income Tax	69.48	Assessment year 2012-13	Income Tax Appellant Tribunal
Income Tax	96.51	Assessment year 2013-14	Commissioner of Income Tax Appeals
Income Tax	4.47	Assessment year 2014-15	Commissioner of Income Tax Appeals

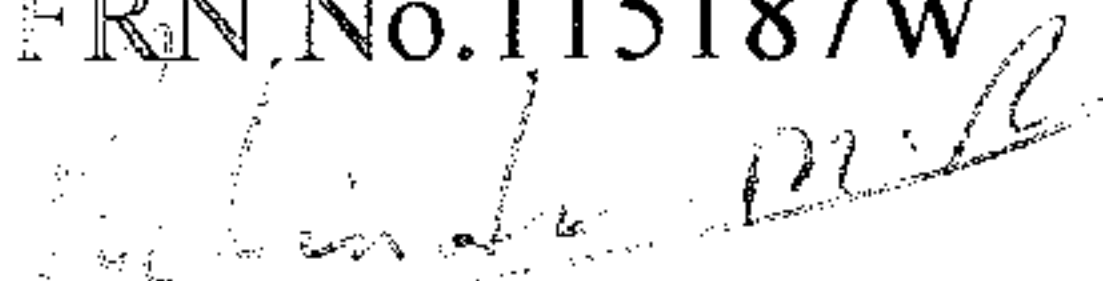


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8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to banks. The Company does not have any borrowings by way 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 : 9th May, 2018

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

(**Pulindra Patel**)

Proprietor
Membership No. 048991



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

PULINDRA PATEL & CO.
CHARTERED ACCOUNTANTS
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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, 2018 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.

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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.

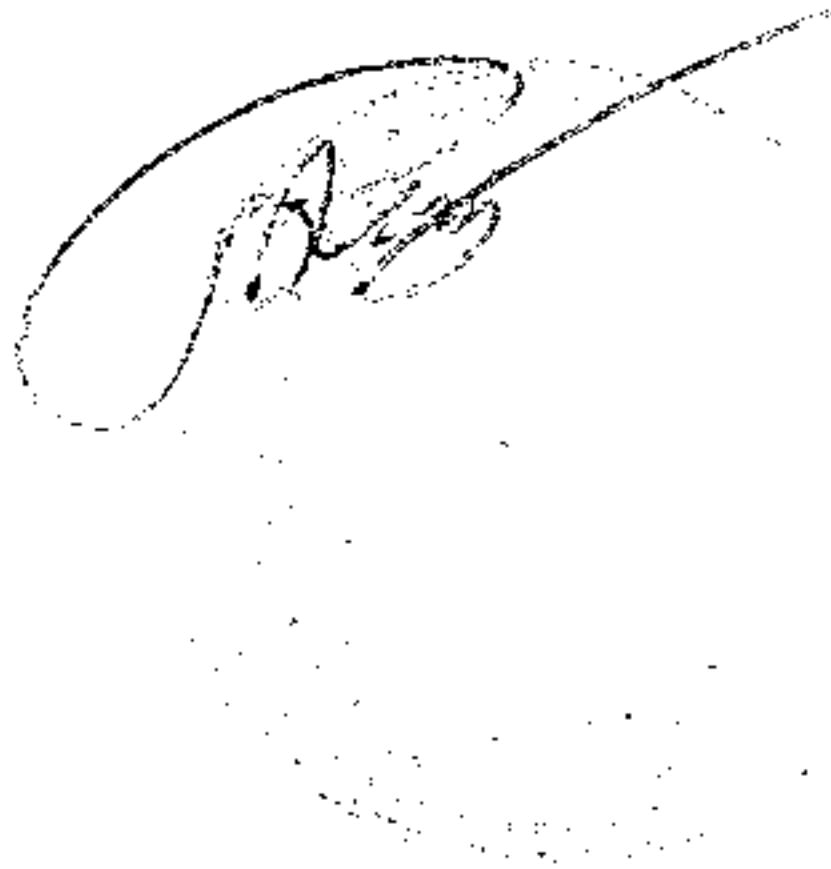
Meaning of Internal Financial Controls over Financial Reporting:

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 un 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.



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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, 2018, 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.

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



PULINDRA M. PATEL
Proprietor
Membership No. 48991

Place: Mumbai
Date: 9th May, 2018

DIAGOLD DESIGNS LIMITED
Financial statements as at and for the year ended March 31, 2018

Standalone balance sheet as at March 31, 2018

(Amounts are in lacs unless stated otherwise)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	1	612.85	634.15	657.29
Other intangible assets	2	1.41	2.31	3.22
Financial assets				
i. Investments	3	0.37	5.97	38.81
ii. Loans	4	46.27	40.39	12.29
iii. Other financial assets		-	-	-
Deferred tax assets	5	0.17	15.52	13.72
Total non-current assets		661.08	698.34	725.34
Current assets				
Inventories	6	1,855.83	1,655.31	1,572.84
Financial assets				
i. Investments	7	-	115.93	-
ii. Trade receivables	8	2,827.89	2,052.28	2,833.41
iii. Cash and cash equivalents	9	216.19	175.58	176.94
iv. Bank balances other than (iii) above		-	-	-
v. Loans	10	29.32	12.71	12.26
vi. Other financial assets		-	-	-
Other current assets	11	221.40	164.62	142.15
		5,150.62	4,176.44	4,737.60
Current Tax Assets				
Total current assets		5,150.62	4,176.44	4,737.60
Total assets		5,811.70	4,874.78	5,462.94
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	399.99	399.99	399.99
Other equity	13	1,972.76	2,244.53	2,373.07
Total equity		2,372.75	2,644.52	2,773.06
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	14	-	0.90	6.11
Total non-current liabilities		-	0.90	6.11
Current liabilities				
Financial liabilities				
i. Borrowings	15	1,686.25	1,157.21	1,529.49
ii. Trade payables	16	1,722.28	997.28	1,084.27
iii. Other financial liabilities		-	-	-
Provisions	17	21.35	28.23	46.28
Other current liabilities	18	32.06	46.63	23.72
		3,439.94	2,229.35	2,683.76
Liabilities directly associated with assets classified as held for sale				
Total current liabilities		3,439.94	2,229.35	2,683.76
Total liabilities		3,439.94	2,230.25	2,689.87
Total equity and liabilities		5,811.70	4,874.78	5,462.94

This is the balance sheet referred to in our report of even date

For Pulindra Patel & Co.
Chartered Accountants

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

Pulindra Patel
Proprietor
Mem No. : 048991

Nirav M Mehta
Managing Director
DIN- 0017819

Rashesh M Bhansali
Director
DIN- 00057931

Place: Mumbai
Date: 9 May 2018

Place: Mumbai
Date: 9 May 2018

DIAGOLD DESIGNS LIMITED
Financial statements as at and for the year ended March 31, 2018

Standalone statement of profit and loss for the year ended March 31, 2018

(Amounts are in lacs unless stated otherwise)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Continuing operations			
Revenue from operations	19	5,417.23	5,128.34
Other income	20	83.05	77.84
Other gains/(losses)		-	-
Total income		5,500.27	5,206.18
Expenses			
Cost of raw materials and components consumed	21	3,846.73	4,203.74
Purchase of Traded goods	22	481.31	10.23
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	23	107.34	(116.34)
Employee benefit expenses	24	217.77	187.94
Finance Cost	25	88.56	91.97
Depreciation and amortisation expense	1	29.08	28.87
Other expenses	26	749.69	699.16
Total expenses		5,520.47	5,105.58
Profit before exceptional items and tax		(20.20)	100.60
Exceptional items			
Profit before tax		(20.20)	100.60
Income tax expense			
- Current tax		-	38.88
- Deferred tax	27	15.35	(1.88)
Total tax expense/(credit)		15.35	37.00
Profit from continuing operations		(35.55)	63.60
Other Comprehensive Income:			
a) Items That Will Not Be Reclassified To Profit Or Loss		4.49	0.43
Tax relating to above		4.49	0.43
Other comprehensive income / (Losses)		4.49	0.43
Total other comprehensive income / (Losses) for the year		(31.06)	64.03
Earnings per share			
Basic		(0.89)	1.59
Diluted		(0.89)	1.59

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

Pulindra Patel

Pulindra Patel

Proprietor

Mem No. : 048991

Place: Mumbai

Date: 9 May 2018

For and on behalf of the Board of Directors

Diagold Designs Limited

Nirav M Mehta

Nirav M Mehta

Managing Director

DIN- 0017819

Place: Mumbai

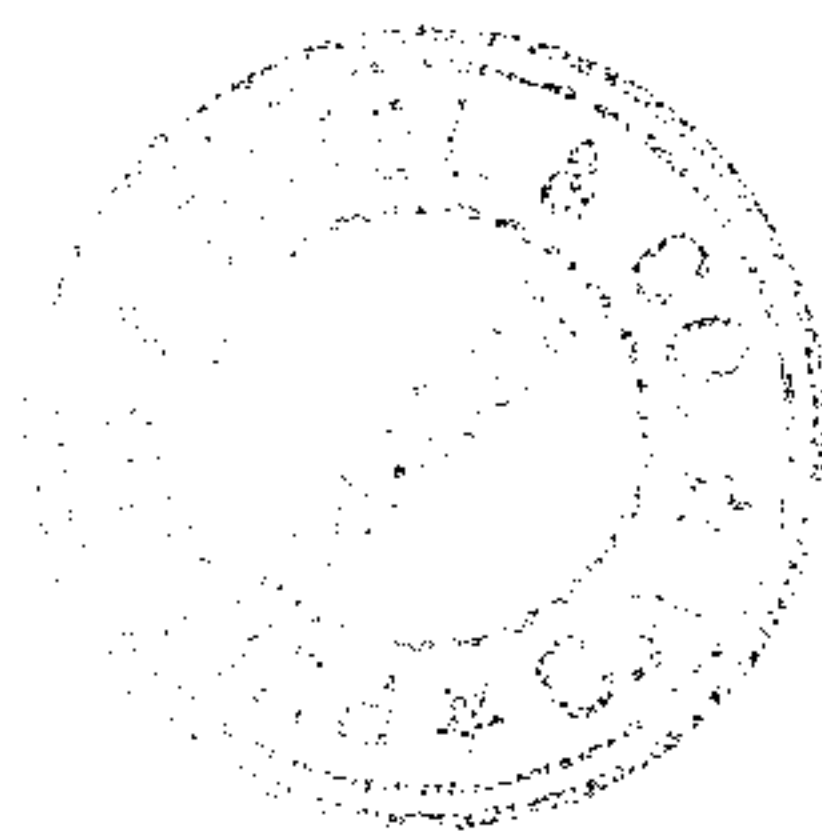
Date: 9 May 2018

Rashesh M Bhansali

Rashesh M Bhansali

Director

DIN- 00057931



DIAGOLD DESIGNS LIMITED
Cash flow statement for the year ended 31st March, 2018

(Amounts are in lacs unless stated otherwise)

Particulars	As at March 31, 2018		As at March 31, 2017
A Cash flow from operating activities :			
Profit before tax		(20.20)	100.60
Adjustments for:			
Depreciation and amortization for the year	29.08		28.87
Net unrealised foreign exchange (gain)/ loss (income)/loss from investments measured at FVTPL	(20.04)		15.77
Share of Loss/ (Profit) from LLP	(0.69)		-
Interest Income	-		7.84
Finance cost	(8.03)		(6.05)
	38.56		91.97
		88.88	138.40
Operating profit before working capital changes		68.68	238.99
Adjustments for:			
Decrease/increase in inventories	(200.52)		(82.47)
Decrease/(increase) in non-current financial assets	18.66		(19.30)
Decrease/(increase) in current financial assets	(13.41)		0.13
Decrease/(increase) in other current assets	(56.78)		(22.47)
Increase in trade receivables	(749.98)		745.51
Increase in trade payables	717.60		(71.13)
Increase in current financial liabilities	(14.57)		22.92
Increase in other current liabilities	4.52		2.90
		(297.48)	576.09
Cash generated from operating activities		(228.80)	815.08
Income Tax Paid (net)	(31.70)		(69.62)
		(31.70)	(69.62)
Net cash generated from operating activities		(260.50)	745.46
B Cash flow from investing activities:			
Purchase of property, plant and equipment	(6.88)		(4.82)
Purchase of Investments	-		(115.00)
Proceeds from redemption of investments, net	116.66		-
Introduction / Withdrawal of Capital from LLP	5.60		24.83
Capital Reduction by Joint Venture Company Goldiam HK			0.17
Interest received	8.03		6.05
Dividend paid	(200.00)		(160.00)
Tax on Dividend	(40.71)		(32.57)
Net cash used in investing activities		(117.30)	(281.34)
C Cash flow from financing activities:			
(Repayment)/proceeds of short term borrowings, net	596.97		(373.52)
Interest paid	(88.56)		(91.97)
Net cash generated from financing activities		418.41	(465.49)
Net increase in cash and cash equivalents (A+B+C)		40.61	(1.36)
Cash and cash equivalents at the beginning of the year		175.58	176.94
Cash and cash equivalents at the end of the year		216.19	175.58

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.
- 3) The accompanying notes are integral part of the financial statements.

As per attached report of even date.

Notes 1 to 42 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 Patel
Pulindra Patel
Proprietor
Mem No. : 048991

Place : Mumbai
Date : 9th May, 2018

For and on behalf of the Board Directors
Diagold Designs Limited

Nirv M Mehta
Nirv M Mehta
Managing Director
Din - 017819

Rashesh M. Bhansali
Rashesh M. Bhansali
Director
Din - 00057931

Place : Mumbai
Date : 9th May, 2018

DIAGOLD DESIGNS LIMITED
FINANCIAL YEAR 01.04.2017 TO 31.03.2018
STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL :

Particulars	No. of shares	Amount
Issued, subscribed and fully paid-up shares Equity share of Rs. 10 each		
Balance as at 1 April 2016	3999929	399.99
Changes in Equity Share Capital during the year	-	-
Balance as at 31 March 2017	3999929	399.99
Changes in Equity Share Capital during the year	-	-
Balance as at 31 March 2018	3999929	399.99

B. OTHER EQUITY

(Amounts are in lacs unless stated otherwise)

Particulars	Reserves and surplus				Total
	Security Premium	Revaluation Reserves	General Reserves	Retained Earning	
Balance as at 1 April 2016	462.71	420.87	327.41	1,162.08	2,373.07
Profit for the year				63.60	63.60
Other comprehensive income				0.43	0.43
Total comprehensive income				64.03	64.03
Dividends distributed to equity shareholders				140.00	140.00
Corporate dividend tax on dividend paid to Equity Shareholders				28.50	28.50
Others				-	-
Balance as at 31 March 2017	462.71	420.87	327.41	1,057.61	2,268.60
Profit for the year				(35.55)	(35.55)
Other comprehensive income				4.49	4.49
Total comprehensive income				(31.06)	(31.06)
Dividends distributed to equity shareholders				200.00	200.00
Corporate dividend tax on dividend paid to Equity Shareholders				40.71	40.71
				240.71	240.71
Balance as at 31 March 2018	462.71	420.87	327.41	785.84	1,996.84

Notes 1 to 51 form an integral part of these financial statements.



Company Information

Diagold Designs Limited (the Company) is a public limited company domiciled in India with its registered office locted 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.

These financial statements for the year ended 31st March, 2018 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (here in after referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in financial Statement

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, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria asset 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, 2018 were approved for issue in accordance with the resolution of the Board of Directors on 9th May, 2018.

(ii) Historical Cost Convention

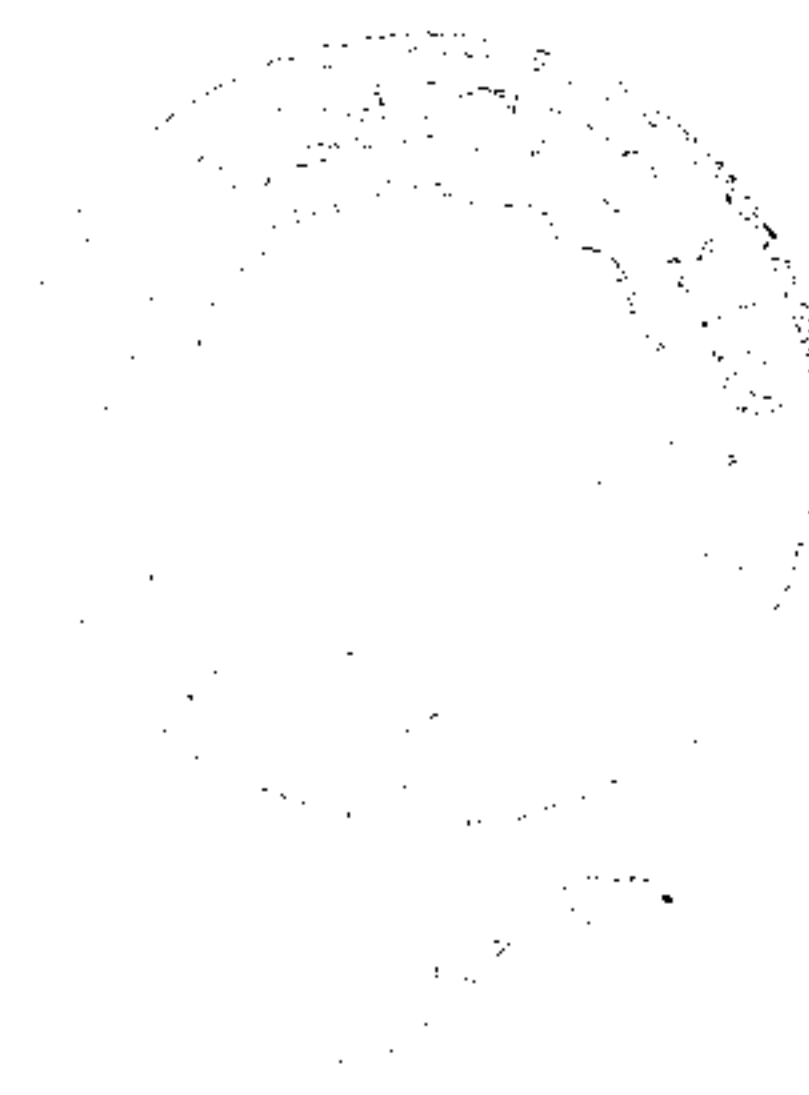
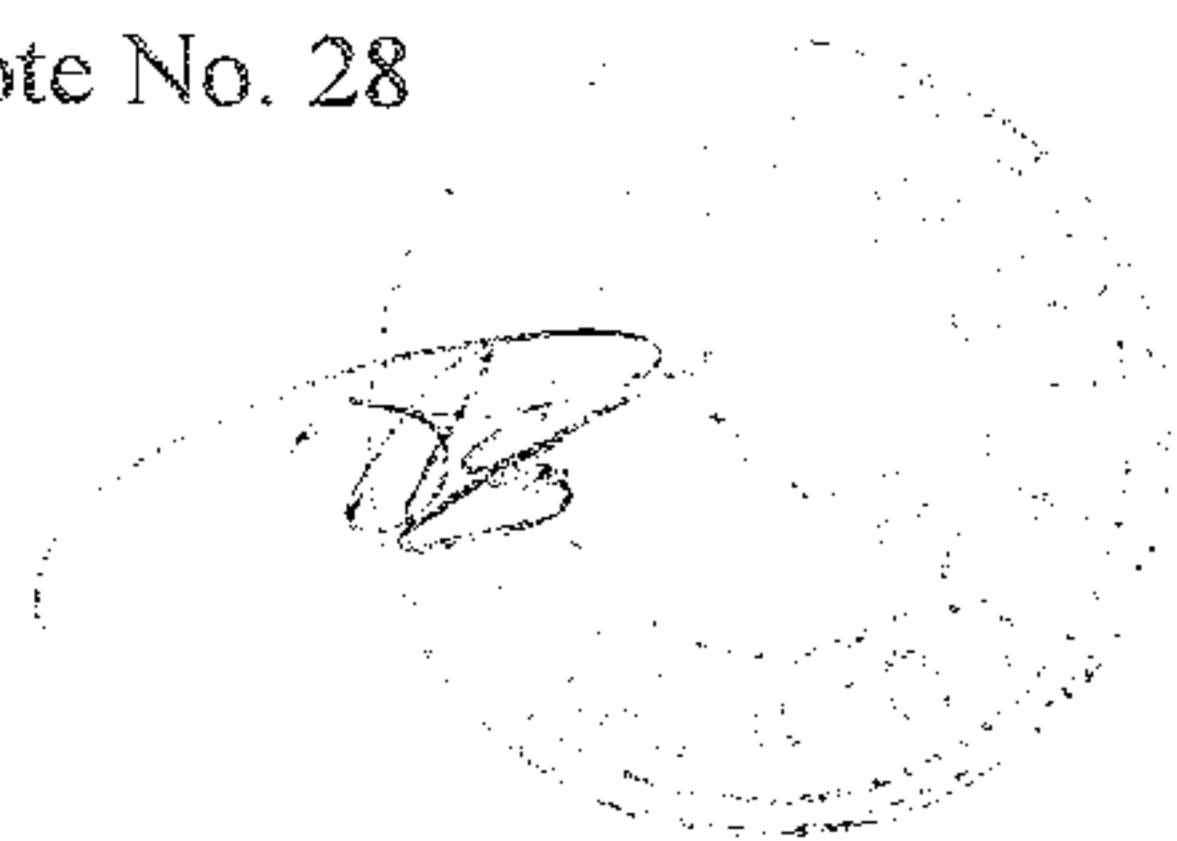
These financial statements are prepared under the historical cost convention unless otherwise indicated.

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 there ported 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. 24
- (a) Measurement and likelihood of occurrence of
- (b) Recognition of deferred tax assets - Note No. 28



2.3 Recent Accounting Developments

C Standards issued but not effective :

IND AS 115: Revenue from
Contracts with Customers

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The Standard is applicable to the Company with effect from 1st April, 2018.

Revenue from Contracts with Customers Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective. 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 :

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

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 will adopt the standard from 1st April, 2018

D 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.

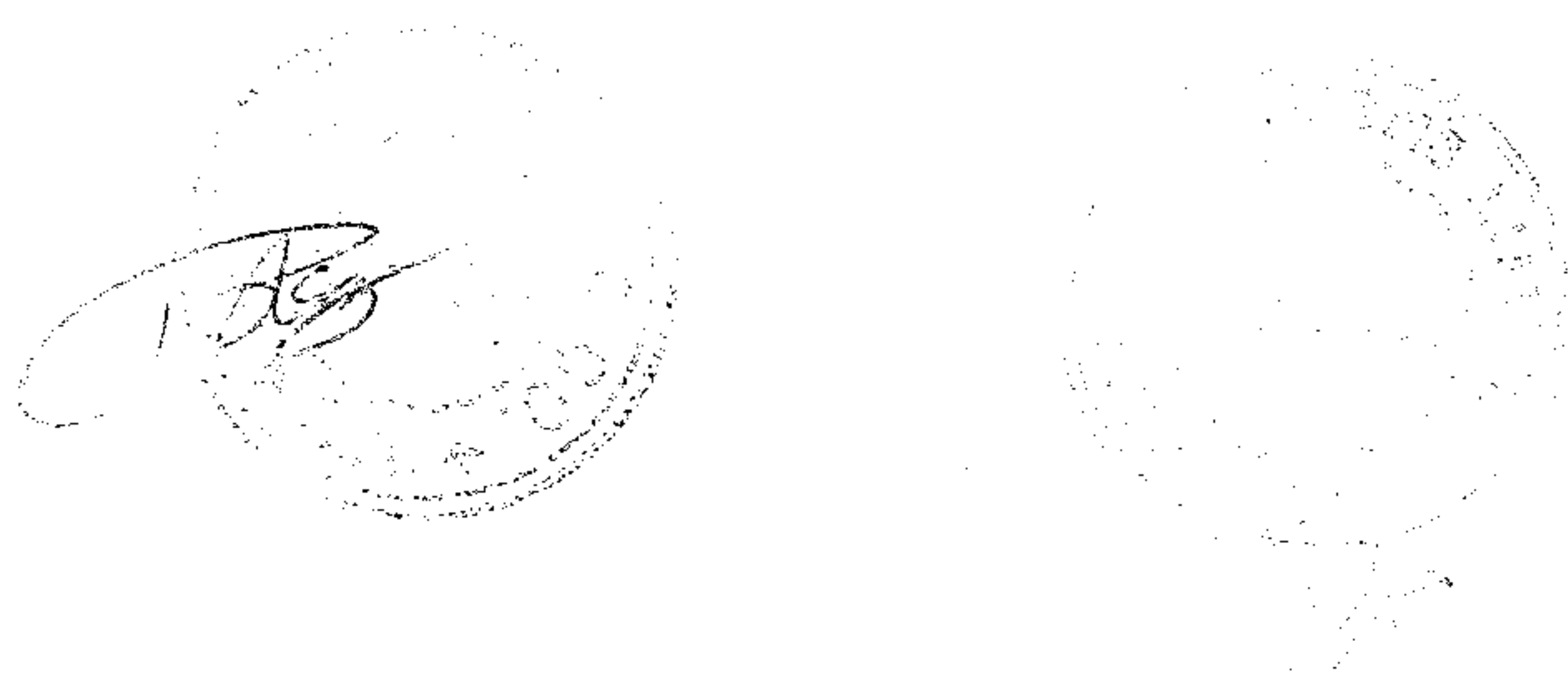
Subsequent measurement
(depreciation and useful lives)

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 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

De-recognition



Diagold Designs Limited

Notes to Financial Statement as at March 31, 2018

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 derecognised.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

(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 amortised cost – the financial instrument is measured at the amortised cost if both the following

- 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

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

Subsequent measurement

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

De-recognition of financial



Diagold Designs Limited

Notes to Financial Statement as at March 31, 2018

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

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

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.

(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

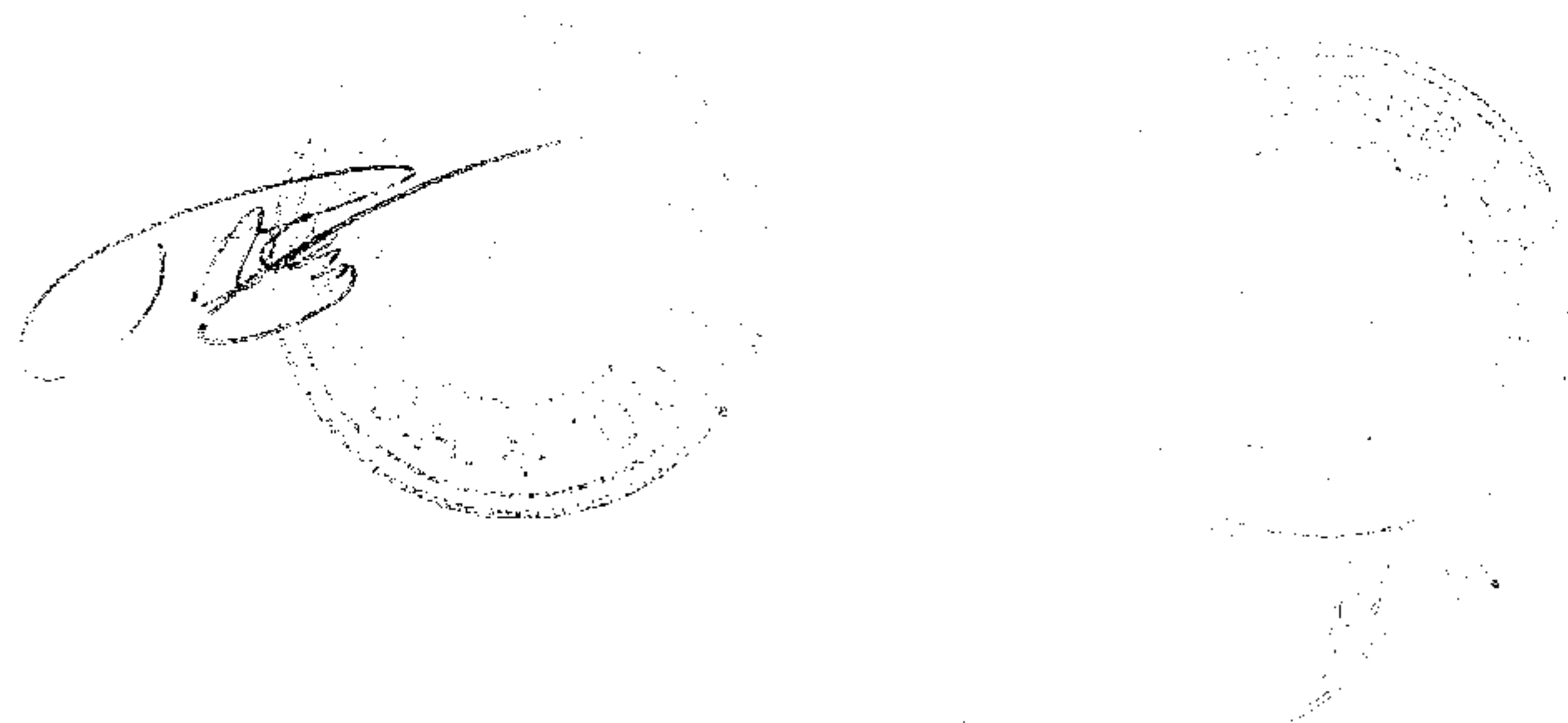
(f) Income taxes

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 utilised 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. Unrecognised 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

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 unrecognised 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

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

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

(i) Operating expenses

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

(j) Borrowing costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are

(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



Diagold Designs Limited

Notes to Financial Statement as at March 31, 2018

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 judgement in applying accounting policies and estimation uncertainty :

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

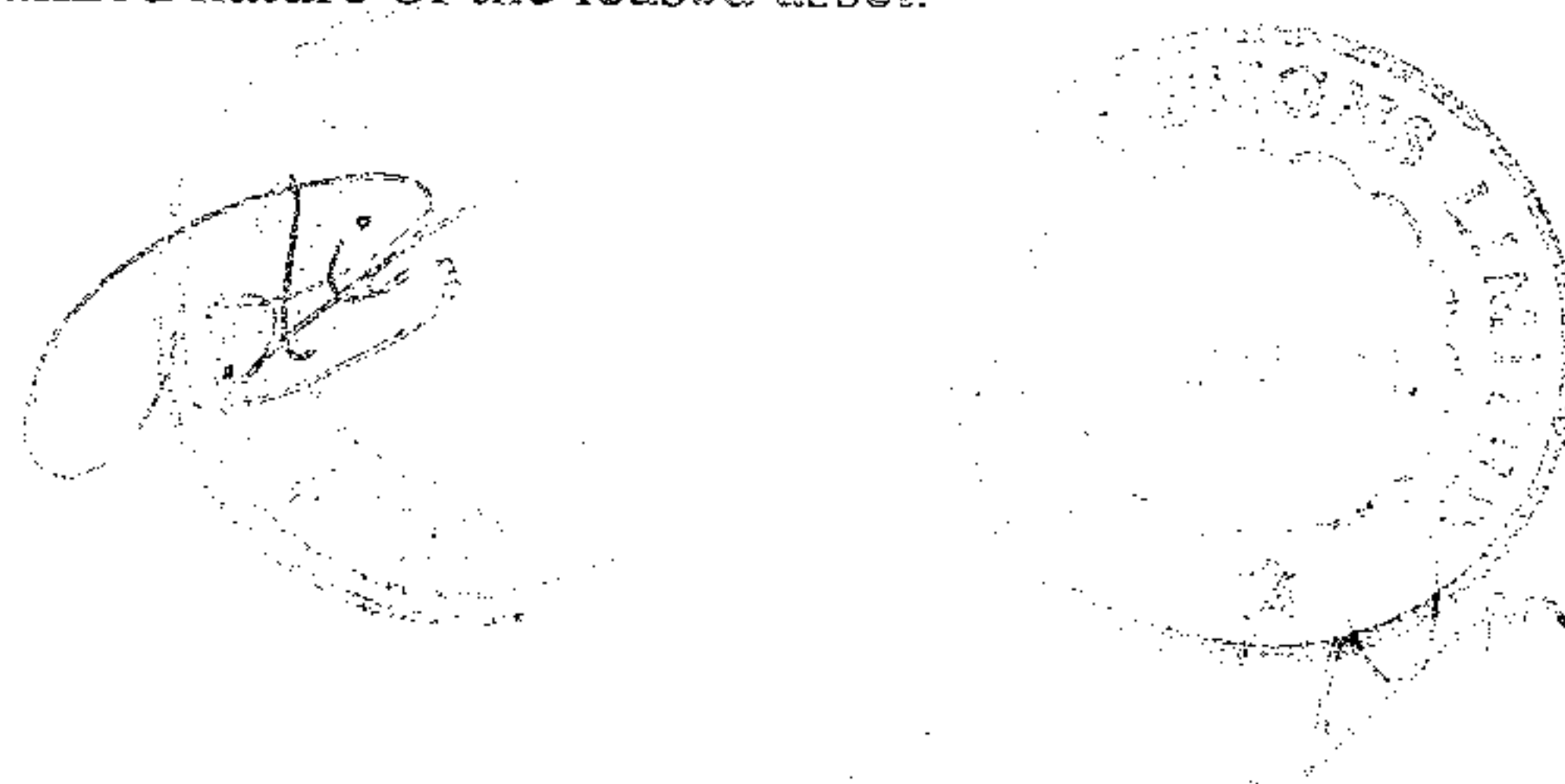
Significant management judgements and estimates

The following are significant management judgements 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 utilised.

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 at March 31, 2018

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.

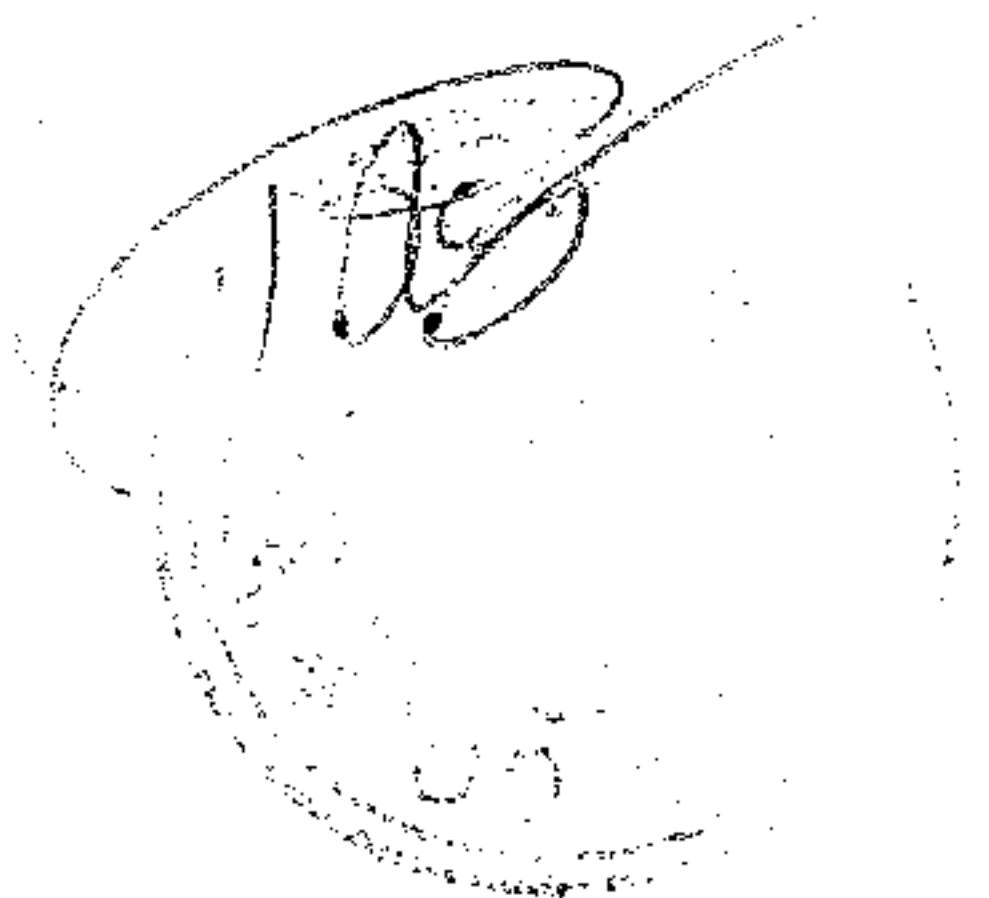
(o) Revenue recognition

Sales of goods :

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, Goods and Service Tax, discounts and returns as applicable.

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.

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DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2018

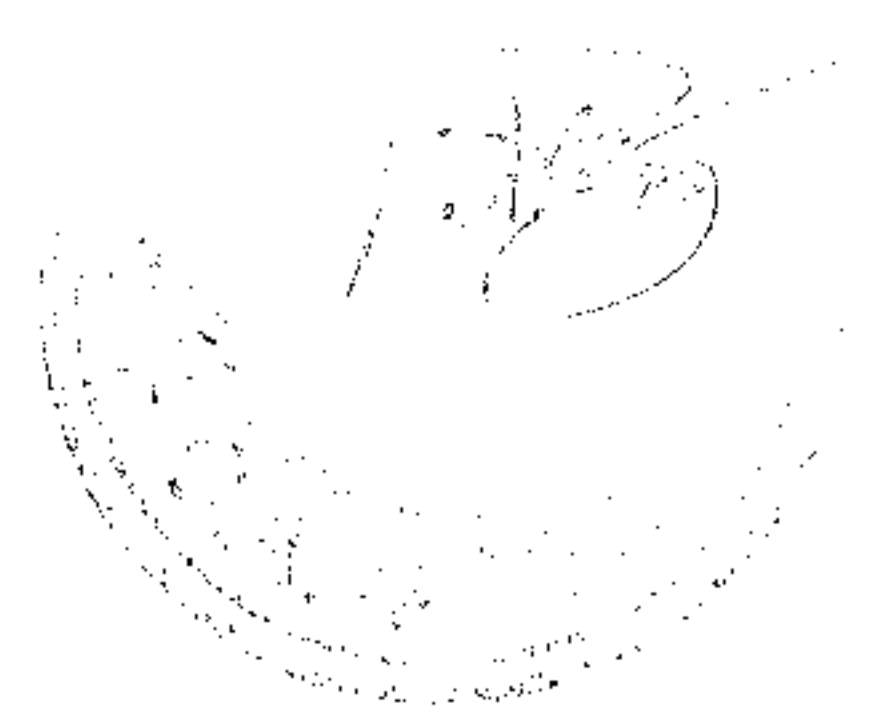
Note 1 - Property, plant and equipment

Particulars	Land : Lease-hold	Buildings	Furniture fixture	Computer	Electrical Installation	Plant and machinery	Office equipments	Vehicles	Total
Gross block									
As at April 01, 2016	506.47	277.79	153.50	24.02	43.37	176.54	39.20	29.43	1,250.31
Additions	-	-	-	-	-	3.90	0.69	-	4.59
Deduction	-	-	-	-	-	-	-	-	-
As at March 31, 2017	506.47	277.79	153.50	24.02	43.37	180.43	39.89	29.43	1,254.89
Additions	-	-	-	1.33	-	2.15	3.40	-	6.88
Deduction	-	-	-	-	-	-	-	-	-
As at March 31, 2018	506.47	277.79	153.50	25.35	43.37	182.58	43.29	29.43	1,261.77
Accumulated depreciation									
As at April 01, 2016	-	209.69	126.57	23.16	41.19	148.30	34.91	9.20	593.01
Depreciation charge during the year	-	6.26	6.56	0.46	0.19	6.29	1.64	6.32	27.73
Deduction	-	-	-	-	-	-	-	-	-
As at March 31, 2017	-	215.95	133.13	23.63	41.38	154.59	36.55	15.52	620.74
Depreciation charge during the year	-	10.59	4.89	0.59	0.14	6.03	1.59	4.34	28.17
Deduction	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	226.54	138.02	24.21	41.52	160.62	38.13	19.86	648.92
Net carrying amount as at March 31, 2018	506.47	51.25	15.48	1.13	1.84	21.96	5.16	9.56	612.85
Net carrying amount as at March 31, 2017	506.47	61.84	20.37	0.39	1.99	25.84	3.35	13.91	634.15
Net carrying amount as at April 01, 2016	506.47	68.10	26.93	0.85	2.18	28.24	4.29	20.23	657.29

DIAGOLD DESIGNS LIMITED
 Financial statements as at and for the year ended March 31, 2018

2 Note 2 - Intangible assets

Particulars	Computer software	Total
Gross block		
As at April 01, 2016	12.77	12.77
Additions	0.23	0.23
Deduction	-	-
As at March 31, 2017	13.00	13.00
Additions	-	-
Deduction	-	-
As at March 31, 2018	13.00	13.00
Accumulated amortisation and impairment		
As at April 01, 2016	9.54	9.54
Amortisation charge during the year	1.14	1.14
Impairment loss during the year	-	-
As at March 31, 2017	10.69	10.69
Amortisation charge during the year	0.90	0.90
Impairment loss during the year	-	-
As at March 31, 2018	11.59	11.59
Net carrying amount as at March 31, 2018	1.41	1.41
Net carrying amount as at March 31, 2017	2.31	2.31
Net carrying amount as at April 01, 2016	3.22	3.22



DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2018

Note 3 - Non-current investments

Particulars	No. Of Share/Bond Unit	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Investments				
Unquoted equity instrument				
Investment in subsidiaries				
1) Temple Designs LLP [Partnership Firm]	51%	0.31	5.91	38.58
2) Goldiam HK Ltd.	3900	0.06	0.06	0.23
In Equity Shares of Joint Venture Company				
(No. of Shares 3900 Face Value (Face Value of HK\$ 0.25 each)				
(Previous year HK\$1/-).				
		0.37	5.97	38.81
Total trade investment		0.37	5.97	38.81
Aggregate amount of quoted investments				
Aggregate market value of listed and quoted investments				
Aggregate amount of unquoted investments				
		0.37	5.97	38.81

Note 4 - Long term loans and advances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Other loans and advances, unsecured, considered good			
Advance income-tax(net of provision for taxation)	41.07	16.55	7.75
MAT credit entitlement			
Prepaid expenses			
Security Deposit	5.20	23.84	4.55
	46.27	40.39	12.29
Total	46.27	40.39	12.29

Note 5 - Deferred tax liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Tax Liabilities :			
i) Relating to Depreciation, Amortisation and Impairment			
Less : Deferred Tax Assets :			
i) relating to Employee Benefits & Provision thereof	-	1.24	1.06
ii) relating to Depreciation, amortisation and Impairment	0.17	14.28	12.66
Total	0.17	15.52	13.72

Note 6 - Inventories

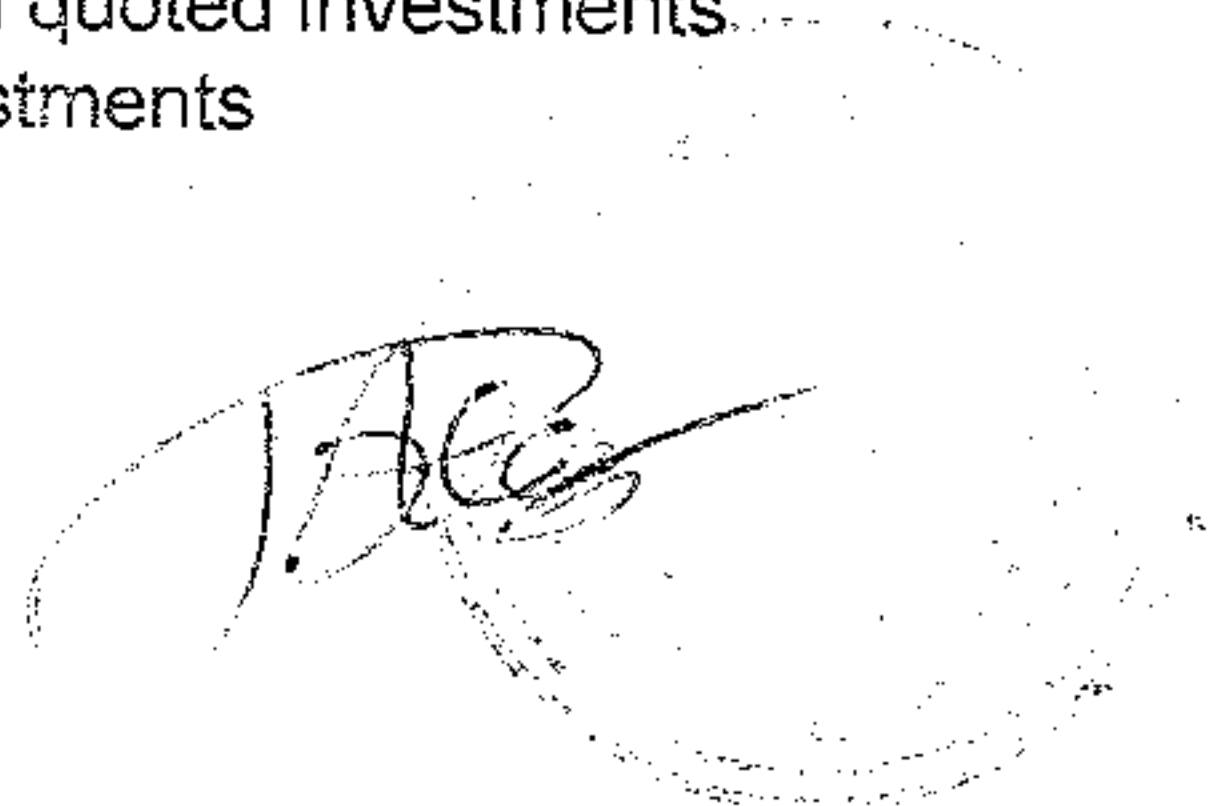
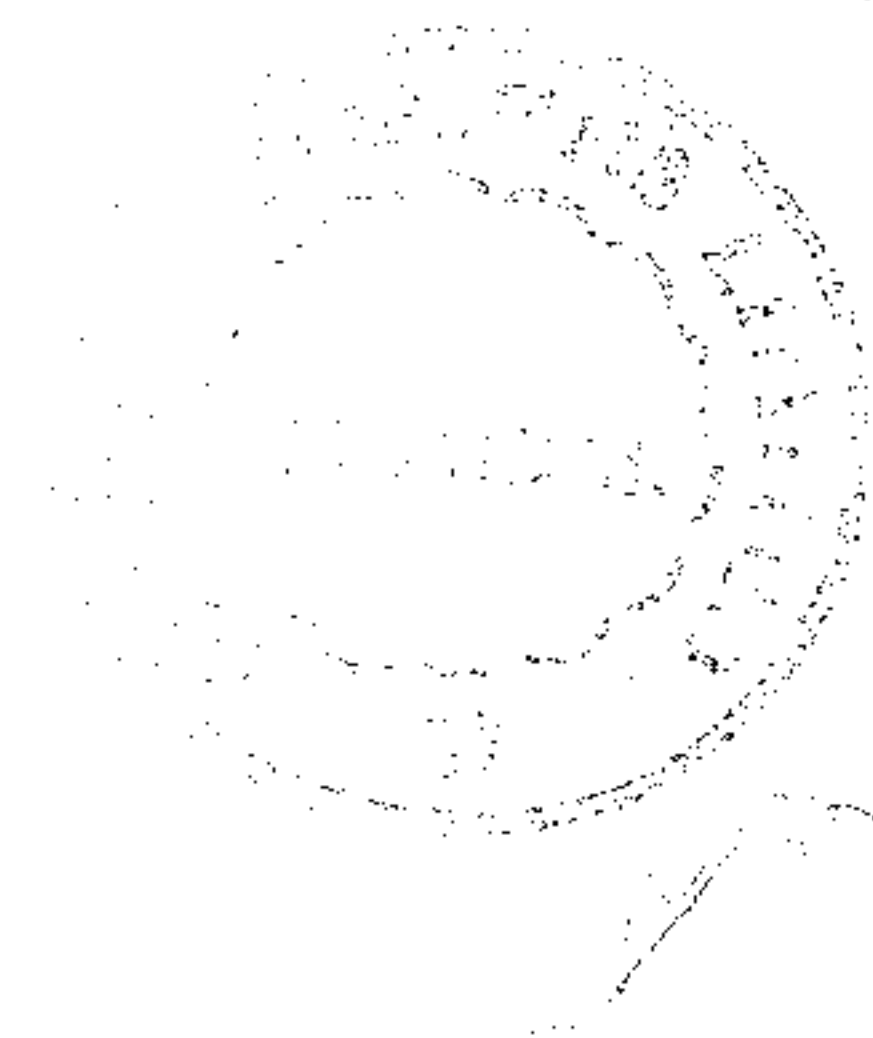
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw materials (Refer note)	1,536.62	1,228.08	1,261.56
Stock in Process	218.34	260.37	121.28
Finished goods (Refer Note 20)	95.54	160.86	183.60
Stock of Consumable Stores & Spare parts (at cost)	5.32	6.01	6.39
Total	1,855.83	1,655.31	1,572.84

Note 7 - Current investments

Particulars	No. of Units	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1) Principal Low Duration Fund-Regular Plan Growth	4490.732	-	115.93	-
In Units of Mutual Fund (Equity Fund) - Quoted, fully paid up				
Total		-	115.93	-

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

115.93

Note 8 - Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good	462.58	369.11	558.13
Doubtful	462.58	369.11	558.13
Less : Provision for doubtful receivables			-
	462.58	369.11	558.13
Other receivables			
Unsecured, considered good	2,365.30	1,683.17	2,275.27
Total	2,827.89	2,052.28	2,833.41

Note 9 - Cash and cash equivalents

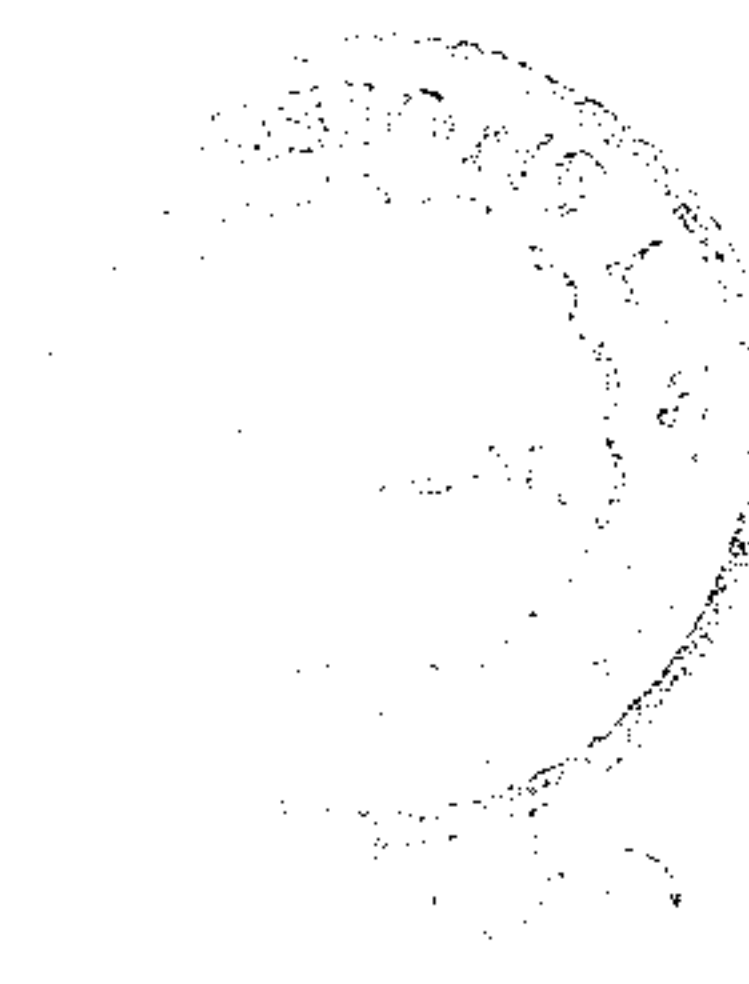
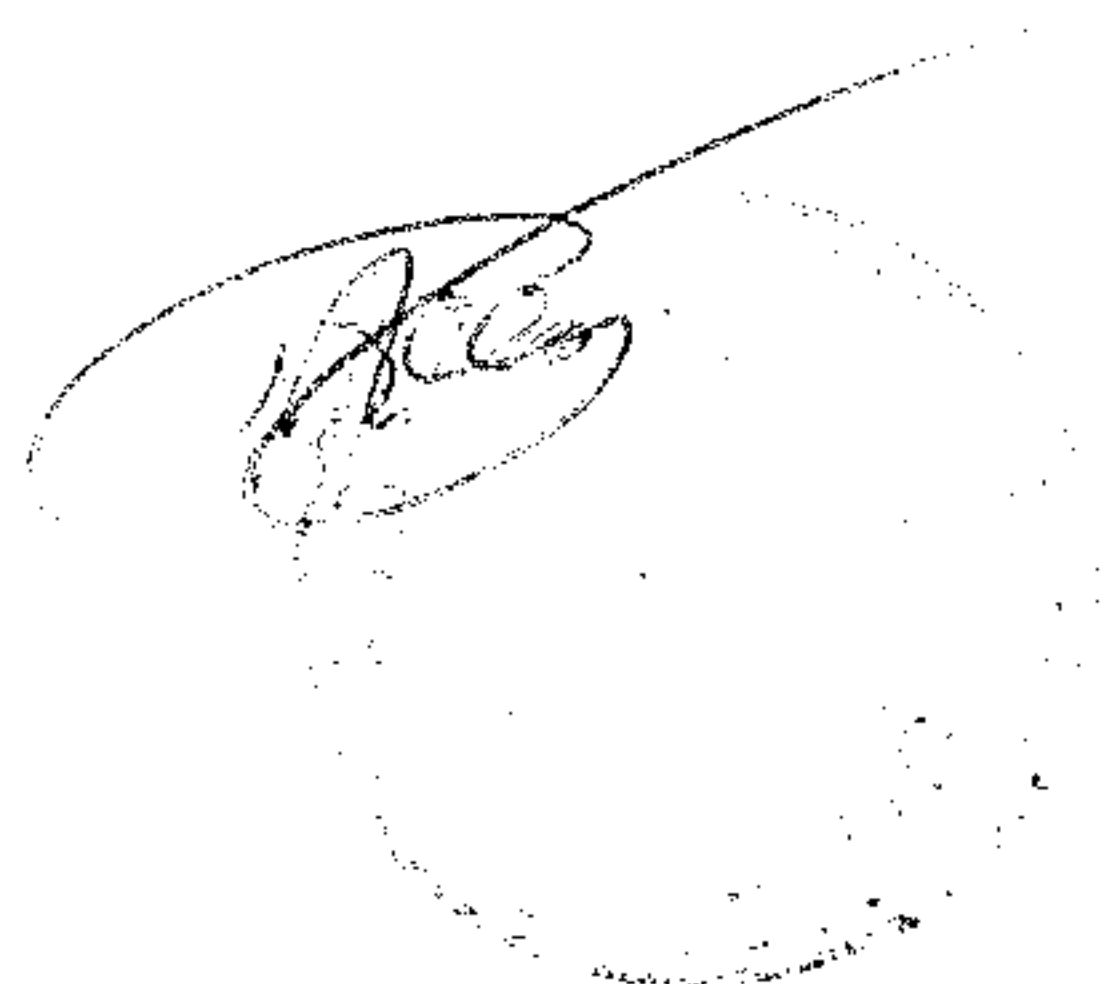
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash on hand	0.08	0.21	0.32
Bank balances			
- Current Account	157.62	92.46	106.13
- EEFC Account	0.01	0.15	0.06
- Fixed Deposit with Banks	58.47	82.76	70.43
Total	216.19	175.58	176.94

Note 10 - Short term loans and advances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Prepaid expenses	29.32	12.71	12.26
Others			
Total	29.32	12.71	12.26

Note 11 - Other current assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance with govt authorities	209.79	155.95	136.42
Loans to employees	0.18	-	0.25
Others	11.43	8.67	5.48
Total	221.40	164.62	142.15



DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2018

12 Note 12 - Share capital and other equity

Share capital

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised shares			
4000000 Equity Shares of ₹ 10/- each			
3999929 Equity Shares of ₹ 10/- each (Pre. Yr. 3999929 Equity Shares of ₹ 10/- each)	400.00	400.00	400.00
Issued, subscribed and fully paid-up shares			
3999929 Equity Shares of ₹ 10/- each (Pre. Yr. 3999929 Equity Shares of ₹ 10/- each)	399.99	399.99	399.99
	399.99	399.99	399.99

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

Equity Shares	March 31, 2018		March 31, 2017	
	Nos.	Rs. in Lacs	Nos.	Rs. in Lacs
At the beginning of the period	3999929	399.99	3999929	399.99
Issued during the period - Convertible warrants	-	-	-	-
Buy Back of Shares	-	-	-	-
Outstanding at the end of the period	3,999,929	399.99	3,999,929	399.99

(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	As at March 31, 2018		As at March 31, 2017	
	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.	2039658	50.99%	2039658	50.99%
Milan R. Mehta	474600	18.24%	729600	18.24%
Nehal Milan Mehta	615200	12.18%	487200	12.18%
Nirav Milan Mehta	543765	10.42%	416765	10.42%
Trupti Milan Mehta	255000	6.38%	255000	6.38%

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.

DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2018

13 Note 13 - Other Equity

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Premium			
(a) As per Balance Sheet	462.71	462.71	462.71
	462.71	462.71	462.71
Revaluation Reserves :			
(a) As per Balance Sheet	420.87	420.87	420.87
	420.87	420.87	420.87
General reserve			
(a) As per Balance Sheet	327.41	327.41	327.41
	327.41	327.41	327.41
Surplus in the statement of profit and loss			
Balance as per the last financial statements	1,033.54	1,162.08	1,105.59
Profit for the year	(31.06)	64.03	104.63
Less: Appropriations			
Interim equity dividend	200.00	140.00	40.00
Tax on interim equity dividend	40.71	28.50	8.14
dividend on equity shares	-	20.00	
Tax on equity dividend	-	4.07	
	761.77	1,033.54	1,162.08
Closing Balance			
TOTAL	1,972.76	2,244.53	2,373.07

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DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2018

Particulars
Note 14 - Long term borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Term Loans (secured)			
Indian Rupee Loan		-	-
From others (secured)			
Under vehicle scheme	-	0.90	6.11
Finance lease obligation		-	-
Deposits (unsecured)			
From shareholders			-
From public			-
Total	-	0.90	6.11

Note 15 - Short term borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Packing Credit in with PNB	1,192.78	927.89	1,210.24
Post Shipment Credit in with PNB	323.55	-	-
Packing Credit in Foreign Currency With PNB	144.18	222.26	219.73
Post Shipment Credit in Foreign Currency With PNB	-	-	92.98
Under vehicle scheme	2.75	7.06	6.54
Total	1,663.25	1,157.21	1,529.49

Note 16 - Trade payables

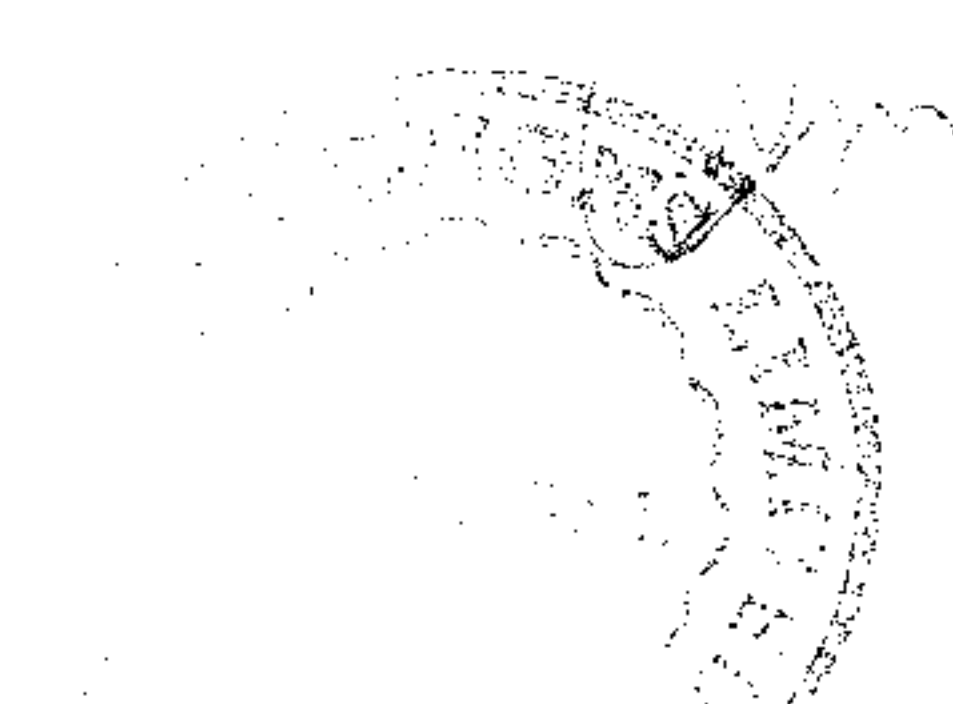
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Due to Micro, Small and Medium Enterprises	-	1.28	1.62
Others	1,722.28	996.00	1,082.65
Total	1,722.28	997.28	1,084.27

Note 17 - Short term provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Provision for employee benefits:	2.92	3.75	3.70
(i) Provision for gratuity (net) (Refer Note 20.02)	18.43	17.33	13.48
Provision For Tax	-	7.16	29.10
Proposed		-	-
Provision For Tax On Distributed Profit		-	-
Medical VRS - Current		-	-
Total	21.35	28.23	46.28

Note 18 - Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Statutory dues	4.23	4.15	5.40
Other payables	27.09	35.56	17.58
Advances from customers	0.74	6.92	0.74
Total	32.06	46.63	23.72



DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2018

19 Note 19 - Revenue from operations (Amounts are in lacs unless stated otherwise)

Particulars	Year ended March 31,	Year ended March
	2018	31, 2017
Operating Income :		
(a) Manufactured goods	4,885.91	4,684.54
(b) Traded goods	383.65	281.60
(b) Sale of Services	147.67	162.19
	<u>5,417.23</u>	<u>5,128.34</u>
Sale of products comprises :		
(a) Manufactured goods		
Sales of gold Jewellery	4,885.91	4,677.52
Sales of Silver Jewellery	-	3.36
Sales of Other Misc. Products	0.00	3.67
	<u>4,885.91</u>	<u>4,684.54</u>
(b) Traded goods		
Sales of Cut & Polished Diamond	380.91	278.92
Sales of Colour stones	1.03	0.35
Sale of Gold	1.71	2.34
Sales of Other Misc. Products	-	-
	<u>383.65</u>	<u>281.60</u>
(c) Sale of Services		
Job Work Income	147.67	162.19
	<u>147.67</u>	<u>162.19</u>

20 Note 20 - Other income

Particulars	Year ended March 31,	Year ended March
	2018	31, 2017
Interest received	6.03	6.05
Rent Income	31.49	29.90
Other Miscellaneous Income	2.93	0.63
Net Gain on Foreign currency PCFC transactions	1.00	3.98
Net Gain on Foreign currency transaction & Translation	39.04	37.21
Net Gain on Foreign Currency capital reduction	-	-
Associates	-	0.07
Total	<u>83.05</u>	<u>77.84</u>

21 Note 21 - Cost of materials consumed

Particulars	Year ended March 31,	Year ended March
	2018	31, 2017
Opening Stock	1,228.00	1,261.56
Add: Purchases		
Gold	1,534.35	1,272.20
Gold Findings	1.95	4.83
Silver	-	2.70
Silver Findings	0.08	0.00
Silver Jewellery	-	4.37
Cut & Polished Diamonds	2,584.58	2,863.02
Alloy	12.55	9.54
Gold Mounting	7.27	-
Colour Stone	14.46	11.77
Alfa Cast Jewellery	-	1.83
	<u>5,383.36</u>	<u>5,431.83</u>
Less : Closing Stock	1,536.62	1,228.08
Total	<u>3,846.74</u>	<u>4,203.74</u>

(a) Raw Materials Consumed Comprise :

Gold	1,553.16	1,256.86
Gold Findings	15.20	25.19
Silver	1.01	3.33
Silver Findings	0.13	0.09
Silver Models / Masters	-	-
Silver Jewellery	1.03	4.85
Cut & Polished Diamonds	2,262.47	2,892.45
Alloy	12.33	12.02
Colour Stone	1.08	8.96
Alfa Cast Jewellery	0.18	-

(b) 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	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Raw Materials				
(i) Imported	2460.634504	2791.65911	64.49%	66.78%
(ii) Indigenous	1366.093055	1388.829063	35.51%	33.22%

22 Note 22 - Purchase of Traded goods

Particulars	Year ended March 31,	Year ended March
	2018	31, 2017
Purchases - C & P Diamonds	478.67	10.23
Purchases - Colour Stones	0.68	-
Purchases - Alloys	0.63	-
Purchases - Gold Findings	0.75	-
Purchases - Gold Jewellery	0.50	-
Total	481.31	10.23

23 Note 23 - (Increase)/Decrease in inventories

Particulars	Year ended March 31,	Year ended March	(Increase)/Decrease in lacs
	2018	31, 2017	
Inventories at the beginning of the year			
Finished goods	180.63	183.60	22.75
Work-in-progress	260.37	121.28	(139.09)
Traded goods	-	-	-
	421.22	304.88	
Inventories at the end of the year			
Finished goods	95.54	160.86	65.32
Work-in-progress	216.34	260.37	42.03
Traded goods	-	-	-
	313.88	421.22	
	107.34	(116.34)	107.34

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24 Note 24 - Employee benefit expenses

Particulars	Year ended March 31,	Year ended March
	2018	31, 2017
Salaries, Wages, Bonus & Ex-gratia	146.64	122.86
Director's Remuneration	42.00	42.00
Contribution to Provident Fund	4.54	4.45
Contribution to E.S.I.C.	1.97	1.48
M.L.W.Fund-Employer Contribution	0.02	0.02
Provision / Contribution to Group Gratuity and LIC	-	-
Workmen & Staff Welfare expenses	22.60	17.13
Total	217.77	187.94

Contribution to Provident Fund is ₹. 4.54 lakhs (Previous year ₹. 4.45 lakhs , ESIC and Labour Welfare Fund includes ₹.2 lakhs (Previous year ₹.1.5 lakhs).

(a) As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:
Defined Contribution Plan :

Defined Benefit Plan :

Gratuity and Leave Encashment:

The Company makes partly annual contribution to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days service for each completed year of service or part thereof depending on the date of joining. The benefit vests after five years of continuous service.

Assumptions	Gratuity		Leave Encashment	
	Funded 31.03.18 ₹	Funded 31.03.17 ₹	Non Funded 31.03.18 ₹	Non Funded 31.03.17 ₹
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Present Value of obligation as at the beginning of the year	17.33	13.48	3.75	3.44
Current service cost	2.65	3.05	0.98	1.22
Interest cost	1.28	0.96	0.28	0.24
Actuarial (gain) / loss	(2.17)	0.08	(2.08)	(0.94)
Benefits paid	(0.66)	(0.24)	-	(0.22)
Present Value of obligation as at the end of the year	18.43	17.33	2.92	3.75
Change in Plan Assets				
Plan assets at period beginning, at fair value	11.25	9.03	-	-
Expected return on plan assets	0.87	0.72	-	-
Actuarial (gain) / loss	(0.09)	(0.58)	-	-
Contributions	1.36	2.31	-	0.22
Benefits paid	(0.66)	(0.24)	-	(0.22)
Plan assets at period end 2017, at fair value	12.73	11.25	-	-
Fair Value of Plan Assets				
Fair Value of plan assets at the beginning of the year	11.25	9.03	-	-
Actual return on plan assets	0.87	0.72	-	-
Contributions	1.36	2.31	-	-
Benefits paid	(0.66)	(0.24)	-	0.22
Fair Value of plan assets at the end of the year	-	-	-	(0.22)
Funded status	3.70	2.00	0.33	2.60
Excess of Actual over estimated return	16.52	13.82	0.33	2.60
The amounts to be recognized in the Balance Sheet and statements of Profit and Loss				
Present value of obligations as at the end of year		11.24		-
Fair value of plan assets as at the end of the year		17.33		3.98
Funded status				
Net asset/(liability) recognized in Balance Sheet		(6.09)	-	(3.98)
Expenses for the year				
Current service cost				
Interest cost on benefit obligation		3.05	0	1.2706
Expected return on plan assets		1.03	0	0.27605
Net actuarial (gain)/loss recognised in the year		(0.72)	0	0
Total expenses recognised in the P & L A/c		0.59	0	-0.42978
		3.95		1.12

25 Note 25 - Net finance costs

Particulars	Year ended March 31,	Year ended March
	2018	31, 2017
Interest on Bank Loan	88.36	91.583259
Stamp duty	0.18	0.389
Total	88.56	91.97

26 Note 26 - Other expenses

Particulars	Year ended March 31,	Year ended March
	2018	31, 2017
Electricity Charges	35.21	30.85
Assortment, Refining & Grooving Charges	11.43	14.37
Repairs & Maint. (Machinery)	5.19	3.97
Jewellery Designing Charges	2.78	4.23
Stores & Spares	25.18	26.64
Labour Charges	212.01	191.06
Water Charges	2.10	1.37
Repairs And Maintenance	16.25	31.74
Rent, Rates And Taxes	45.97	27.60
Auditors Remuneration	1.40	1.37
Legal & Professional Charges	151.36	136.64
Office & Miscellaneous Exp.	29.36	32.85
Travelling & Conveyance	22.56	36.22
Selling & Distribution Expenses	107.17	102.01
Reduction In Sales Realization	0.10	1.46
Service Tax	34.16	3.56
Bank Charges	32.58	45.37
Share of Loss From LLP	-	7.84
Total	749.69	699.16

Consumable Stores & Spares :

Particulars	Amount in		Percentage	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
a) Imported	0.91	0.98	2.43%	3.67%
b) Indigenous	32.37	25.66	97.57%	96.33%

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DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2018

Note 27 - Taxation*27(a) - Income tax expense*

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<i>Current tax</i>		
Current tax on profits for the year	-	38.88
Adjustments for current tax of prior periods		
Total current tax expense	-	38.88
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	15.35	(1.88)
(Decrease)/increase in deferred tax liabilities		
Total deferred tax expense/(benefit)	15.35	(1.88)
Income tax expense	15.35	37.00

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

Particulars	As at March 31, 2018	As at March 31, 2017
Accounting profit before income-tax :	(20.20)	100.60
Applicable Indian statutory income-tax rate	-	0.33
Computed expected tax expense		33.26
Tax effect of :		
Prior period adjustments		(0.22)
Expenses disallowed		13.93
Expenses allowed		(8.10)
Effect of deductible expenses		
Effect of Mat Credit Entitlement		
excess tax adjustment		
Current tax provision	-	38.88

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

DIAGOLD DESIGNS LIMITED

Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2018

Note 28 - 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 Desings 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:

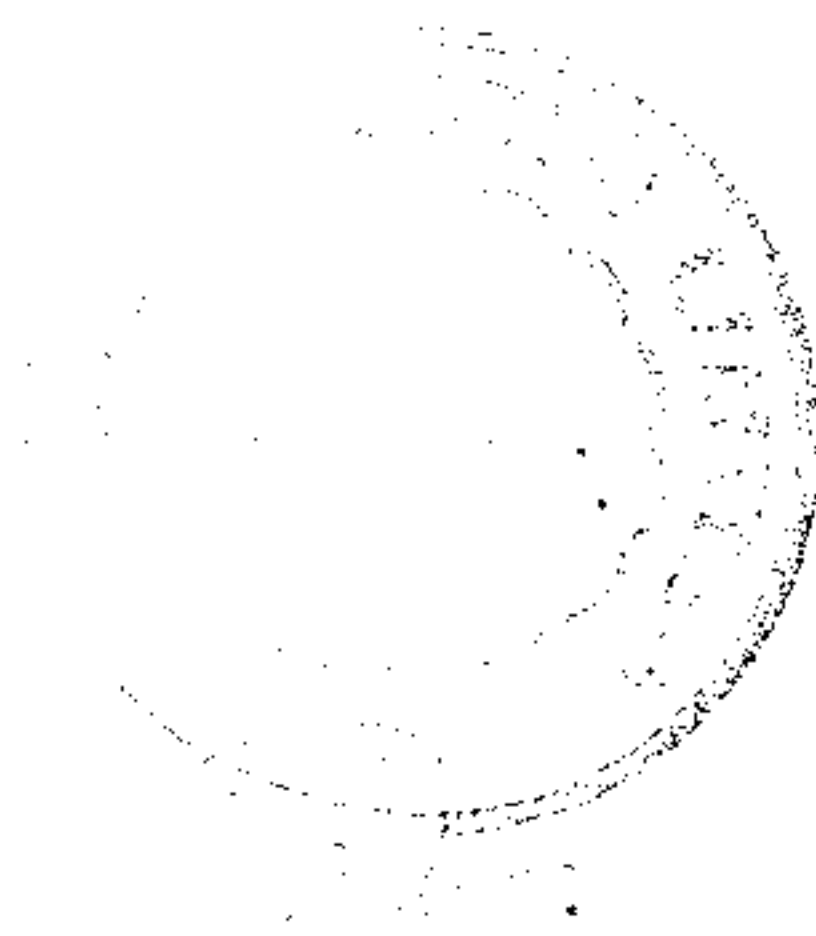
b) Transactions during the year with related parties:

(Amounts are in lacs unless stated otherwise)

Sr. No.	Particulars	Subsidiaries		Subsidiary / Associates of Holding Company		Key Management Personnel		Relative of Key Management Personnel	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	Commission Paid Nehal Mehta			-	-	-	-	15.48	15.27
2	Sale of goods Goldiam International Limited Goldiam HK Limited Goldiam USA Inc. Sunshine Exports		0.05	121.08 116.97	155.88 -	- -	- -	- -	- -
3	Purchase of goods Goldiam International Limited Sunshine Corporation Goldiam HK Limited Temple Designs LLP	5.10	42.81	- 1,091.62 10.90	- 707.91 180.04 71.71	- -	- -	- -	- -
4	Capital Reduction Goldiam HK Limited	-	-	0.17	0.17	-	-	-	-
5	Share of Loss from Partnership Firm Temple Designs LLP				7.84	-	-	-	-
6	Rent Sunshine Corporation			21.06	17.25	-	-	-	-
7	Consultancy Charges Paid Goldiam International Limited	30.48	-	-	-	-	-	-	-
8	Payments to & provision for Directors' remuneration Nirav Mehta	-	-	-	-	42.00	42.00	-	-

(Amounts are in lacs unless stated otherwise)

Sr. No.	Particulars	Holding company			Subsidiary / Associates of Holding Company			Key Management Personnel			Relative of Key Management Personnel		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
1	Outstanding Receivables Goldiam USA Inc. Goldiam HK Limited Goldiam International Limited Sunshine Corporation				3.47 40.25	33.30	- 56.28	- -	- -	- -	- -	- -	- -
3	Outstanding Payables Goldiam International Limited Sunshine Corporation Goldiam HK Limited Nehal Mehta		0.05				1.00						
	Investment in Partnership Firm/ Associates Temple Designs LLP Goldiam HK Limited		10.90	6.81	1,069.55 7.27	446.96	- 18.16	- -	- -	- -	- -	- -	10.32
					0.31 0.06	6.91 0.06	32.52 4.50	- -	- -	- -	- -	- -	- -



Note 29 - Financial Risk Management:

i) Financial Instruments by Category :

Particulars	31st March, 2018		31st March, 2017		31st March, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets :						
Investments						
mutual funds Shares and Bond	0.37		121.90		38.81	
Loans						
Trade receivables		2,827.89		2,052.28		2,833.41
Security deposits		5.20		23.84		4.55
Cash and cash equivalents		216.19		175.58		176.94
Total	0.37	3,049.28	121.90	2,251.71	38.81	3,014.89
Financial Liabilities						
Borrowings		1,663.25		1,157.21		1,529.49
Trade payables		1,722.28		997.28		1,084.27
Total	-	3,385.53	-	2,154.49	-	2,613.77

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

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

The following table presents the option to fix prices on gold purchases that are offset with trade payables, as at 31 March 2018, 31 March 2017 and 1 April 2016.

Particulars	Gross amount	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet
31-Mar-18			
31-Mar-17			
01-Apr-16			

Option to fix prices on gold purchases is an embedded derivative that will be settled together with the trade payables. Accordingly, such amounts are offset but are shown separately in the table above.

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 financial instruments, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting 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 securities	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.

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 organisations 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:

	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Not due	-	-	-
0-30 days past due	-	-	-
31-60 days past due	-	-	-
61-90 days past due	2,365.30	1,683.17	2,275.27
More than 90 days	462.58	369.11	558.13
*rounded off to nil	-	-	-

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	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Expiring within one year (bank overdraft and other facilities)	1,663.25	1,157.21	1,529.49
Expiring beyond one year (bank loan)	-	0.90	6.11
Total	1,663.25	1,158.11	1,535.61

Contractual maturities of financial liabilities

The tables below analyse 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.

31-Mar-18

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		1,663.25	-	-	-	1,663.25
Trade payable		1,722.28	-	-	-	1,722.28
Other financial liabilities		52.06	-	-	-	52.06
Total		3,417.59	-	-	-	3,417.59

31-Mar-17

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		1,157.21	0.90	-	-	1,158.11
Trade payable		996.59	0.69	-	-	997.28
Other financial liabilities		56.63	-	-	-	56.63
Total		2,209.43	1.59	-	-	2,211.02

01-Apr-16

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		1,529.49	6.11	-	-	1,535.61
Trade payable		1,083.77	0.51	-	-	1,084.27
Other financial liabilities		23.72	-	-	-	23.72
Total		2,636.98	6.62	-	-	2,643.60

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

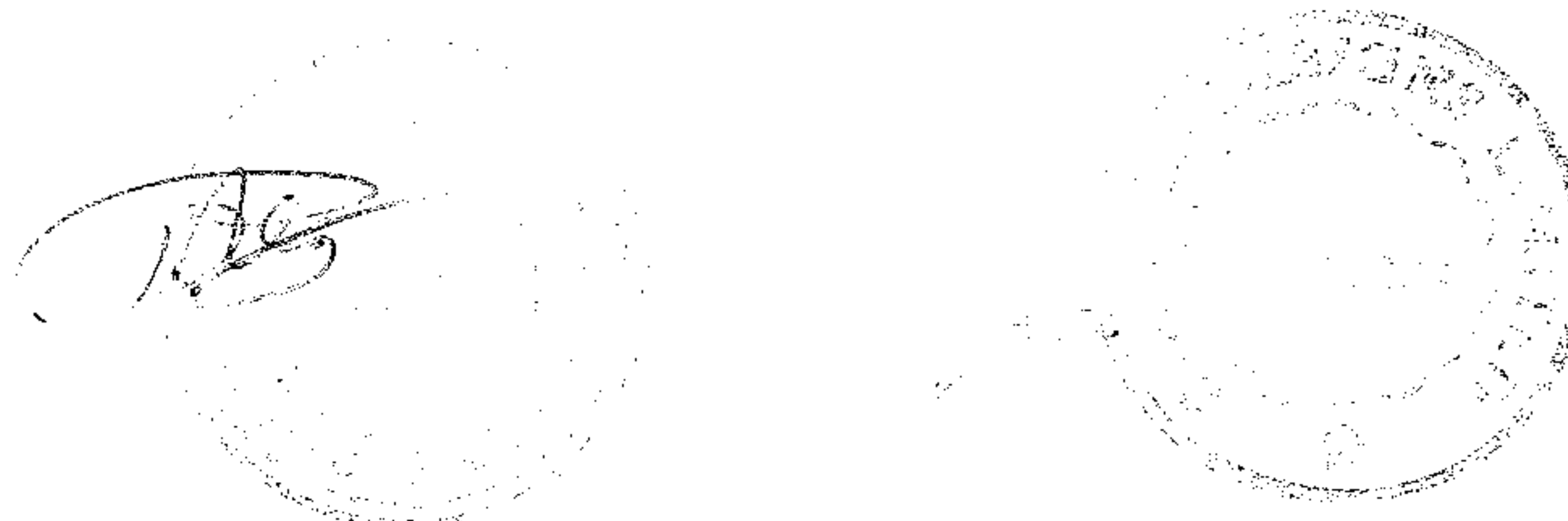
The sensitivity to profit or loss from changes in the exchange rates arises mainly from financial instruments denominated in USD. In case of a reasonably possible change in INR/USD exchange rates of +/- 4% (previous year +/-5%) at the reporting date, keeping all other variables constant, there would have been an impact on profits of ₹ 65.52 lakhs (previous year ₹ 103.85 lakhs).

B) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2018 the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure



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

Particulars	(Rs. In lacs)		
	31-Mar-18	31-Mar-17	01-Apr-16
Variable rate borrowing			
Fixed rate borrowing	1,663.25	1,158.11	1,535.61
Total Borrowings	1,663.25	1,158.11	1,535.61

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 loss by ₹ 87.53 lakhs (previous year profits by ₹ 60.95 lakhs).

ii) Assets

The Company's financial assets are carried at amortised 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 ₹ 27.087 lakhs (previous year profit by ₹ 25.64 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 42: 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.

(a) Particulars	(Rs. In lacs)		
	31-Mar-18	31-Mar-17	01-Apr-16
Net debts	1,663.25	1,157.21	1,529.49
Total equity	2,372.76	2,644.52	2,773.06
Gearing Ratio	70.10%	43.76%	55.16%

(b) Dividends			
Particulars	31-Mar-18	31-Mar-17	01-Apr-16
(i) Equity shares	399.99	399.99	399.99

Note 30 - Financial instruments:

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 maximise 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
As at 31 March 2018				
Financial assets				
Investments at fair value through profit or loss				
Mutual funds	-	-	-	-
Total financial assets	-	-	-	-
As at 31 March 2017				
Financial assets				
Investments at fair value through profit and loss				
Mutual funds	115.93	-	-	115.93
Derivative instruments				
Option to fix prices of gold in purchase contracts				
Total financial assets	115.93	-	-	115.93
As at 1 April 2016				
Financial assets				
Investments at fair value through profit and loss				
Mutual funds				
Derivative instruments				
Option to fix prices of gold in purchase contracts				
Forward contracts				
Total financial assets				

(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.

Note 41: Financial risk management

i) Financial instruments by category

Particulars	31/03/18		31/03/17		01/04/16	
	FVPTL	Amortised Cost	FVPTL	Amortised Cost	FVPTL	Amortised Cost
Financial assets						
Investments		0.37		5.97		38.81
mutual funds						
Loans						
to subsidiaries						
to other body corporates						
Trade receivables						
Security deposits						
Cash and cash equivalents		216.19		175.58		176.94
Other receivables		250.72		177.33		154.41
Bank deposits						
Total						
Financial liabilities						
Borrowings		1,663.25		1,157.21		1,529.49
Trade payables*		1,722.28		997.28		1,084.27
Other financial liabilities		53.41		74.86		1,775.69
Total						

* Trade payables include value of the option to fix prices on gold purchases (embedded derivative) that is carried at fair value through P&L. The value of such embedded derivative which is financial asset of ₹ 8.43 crores as at 31 March 2017 (31 March 2016: ₹ 2.00 crores; 1 April 2015: ₹ 2.63 crores) is offset against the value of the trade payables (as discussed further below).

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



These standalone financial statements, for the year ended 31 March 2018, are the first financial statements prepared by the Company in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP' or 'Previous GAAP').

Accordingly, the Company has prepared standalone financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these standalone financial statements, the Company's opening Ind AS balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous GAAP standalone financial statements, including the balance sheet as at 1 April 2016 and the standalone financial statements as at and for the year ended 31 March 2018.

The Company has applied Ind AS 101 in preparing these first standalone financial statements. The effect of transition to Ind AS on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the notes accompanying the tables.

A Exemptions and exceptions availed :

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

1.1 Ind AS optional exemptions:

Deemed cost for property, plant and equipment

1.2 :

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment at their Previous GAAP carrying value.

A.2 Ind AS mandatory exceptions:

A2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP.

A2.2 Classification and measurement of financial assets

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money, i.e., the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

- a) The effects of the retrospective application are not determinable;
- b) The retrospective application requires assumptions about what management's intent would have been in that period;
- c) The retrospective application requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

A2.3 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choice, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

B Reconciliation between Previous GAAP & IND AS

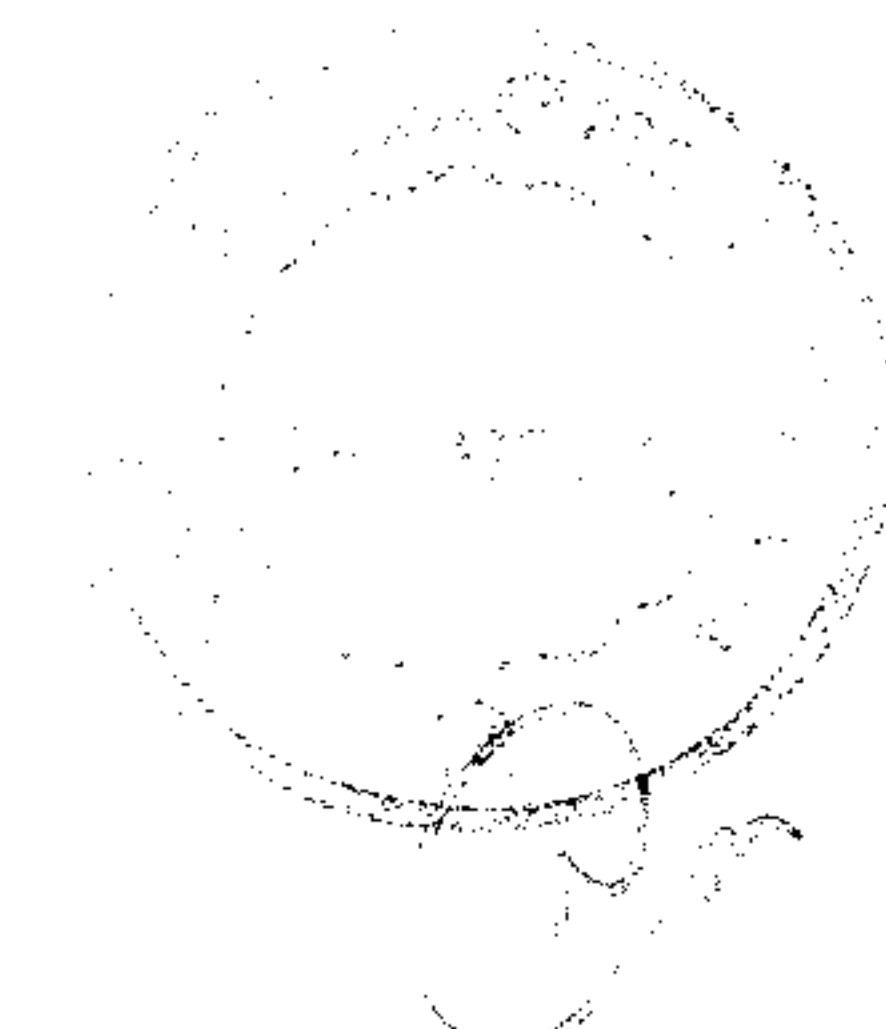
Ind AS 101 requires a first-time adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flow for prior period. The following table reconciliations from previous GAAP & IND AS



DIAGOLD DESIGNS LIMITED

B.1 Effect of Ind AS adoption on the standalone balance sheet as at 31st March 2017 and 01st April 2016

Particulars	Notes	As at 31st March, 2017			As at 01st April 2016		
		Previous GAAP*	Adjustments	Amount under Ind As	Previous GAAP*	Adjustments	Amount under Ind As
ASSETS							
Non-current assets							
Property, plant and equipment	1	634.15	(0.00)	634.15	657.29	(0.00)	657.29
Capital work-in-progress		-	-	-	-	-	-
Investment properties		-	-	-	-	-	-
Goodwill		-	-	-	-	-	-
Other intangible assets		2.31	-	2.31	3.22	-	3.22
Intangible assets under development		-	-	-	-	-	-
Investments accounted for using the equity method		-	-	-	-	-	-
Financial assets		-	-	-	-	-	-
i. Investments		5.97	-	5.97	38.81	-	38.81
ii. Loans		40.39	-	40.39	12.29	0.00	12.29
iii. Other financial assets		-	-	-	-	-	-
Deferred tax assets		15.60	(0.08)	15.52	13.72	-	13.72
Income tax assets		-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-
Total non-current assets		698.42	(0.08)	698.34	725.34	(0.00)	725.34
Current assets							
Inventories		1,655.31	0.00	1,655.31	1,572.84	(0.00)	1,572.84
Financial assets		-	-	-	-	-	-
i. Investments		115.00	0.93	115.93	-	-	-
ii. Trade receivables		2,052.28	-	2,052.28	2,833.41	-	2,833.41
iii. Cash and cash equivalents		175.58	-	175.58	176.94	-	176.94
iv. Bank balances other than (iii) above		-	-	-	-	-	-
v. Loans		12.71	-	12.71	12.26	-	12.26
vi. Other financial assets		-	-	-	-	-	-
Other current assets		164.51	0.11	164.62	142.15	(0.00)	142.15
		0.04	1.04	4,176.44	4,737.60	(0.00)	4,737.60
Current Tax Assets		-	-	-	-	-	-
Assets classified as held for sale		-	-	-	-	-	-
Total current assets		0.04	1.04	4,176.44	4,737.60	(0.00)	4,737.60
Total assets		698.46	0.96	4,874.78	5,462.94	(0.00)	5,462.94
EQUITY AND LIABILITIES							
Equity							
Equity share capital		399.99	-	399.99	399.99	-	399.99
Other equity		-	-	-	-	-	-
Equity component of compound financial instruments		-	-	-	-	-	-
Reserves and surplus		2,243.44	1.09	2,244.53	2,349.00	24.07	2,373.07
Other reserves		-	-	-	-	-	-
Equity attributable to owners of Goldiam International Limited		2,643.43	1.09	2,644.52	2,748.99	24.07	2,773.06
Non-controlling interests		-	-	-	-	-	-
Total equity		2,643.43	1.09	2,644.52	2,748.99	24.07	2,773.06
LIABILITIES							
Non-current liabilities							
Financial liabilities		-	-	-	-	-	-
i. Borrowings		0.90	(0.00)	0.90	6.11	-	6.11
ii. Other financial liabilities		-	-	-	-	-	-
iii. Trade payables		-	-	-	-	-	-
Provisions		-	-	-	-	-	-
Employee benefit obligations		-	-	-	-	-	-
Deferred tax liabilities		-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-
Total non-current liabilities		0.90	(0.00)	0.90	6.11	-	6.11
Current liabilities							
Financial liabilities		-	-	-	-	-	-
i. Borrowings		1,157.21	-	1,157.21	1,529.49	-	1,529.49
ii. Trade payables		997.28	-	997.28	1,084.27	-	1,084.27
iii. Other financial liabilities		46.63	0.00	46.63	23.72	-	23.72
Provisions		7.16	-	7.16	53.17	(24.07)	29.10
Employee benefit obligations		21.32	(0.24)	21.08	17.18	-	17.18
Government grants		-	-	-	-	-	-
Current tax liabilities		-	-	-	-	-	-
Other current liabilities		-	-	-	-	-	-
		2,229.59	(0.24)	2,229.35	2,707.83	(24.07)	2,683.76
Liabilities directly associated with assets classified as held for sale		-	-	-	-	-	-
Total current liabilities		2,229.59	(0.24)	2,229.35	2,707.83	(24.07)	2,683.76
Total liabilities		2,230.49	(0.24)	2,230.25	2,713.95	(24.07)	2,689.87
Total equity and liabilities		4,873.93	0.85	4,874.78	5,462.94	(0.00)	5,462.94



DIAGOLD DESIGNS LIMITED

B.2 Reconciliation of total comprehensive income for the year ended 31st March 2017

Particulars	Notes	As at 31st March, 2017		
		Previous GAAP*	Adjustments	Amount under Ind As
Continuing operations				
Revenue from operations		5,128.34	-	5,128.34
Other income		77.84	-	77.84
Other gains/(losses)		-	-	-
Total income		5,206.18	-	5,206.18
Expenses				
Cost of raw materials and components consumed		4,203.74	-	4,203.74
Purchase of Traded goods		10.23	-	10.23
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods		(116.34)	(0.00)	(116.34)
Employee benefit expenses		188.60	(0.66)	187.94
Finance Cost		91.97	-	91.97
Depreciation and amortisation expense		28.87	-	28.87
Other expenses		699.16	-	699.16
Total expenses		5,106.24	(0.66)	5,105.58
Profit before exceptional items and tax		99.94	0.66	100.60
Exceptional items		-	-	-
Profit before tax		99.94	0.66	100.60
Income tax expense		-	-	-
- Current tax		38.87718	-	38.88
- Deferred tax		-1.87854	-	(1.88)
- MAT		-	-	-
Total tax expense/(credit)		37.00	-	37.00
Profit for the Year		62.94	0.66	63.60

B.3 Reconciliation in equity between Ind AS and previous Indian GAAP: (₹ in lacs)

Notes	31 March 2017	42,461.00
Equity as per previous Indian GAAP	2,243.44	2,349.00
Ind AS: Adjustments increase/(decrease):		
Proposed dividend and related distribution tax	-	24.07
Financial assets at fair value through OCI	0.93	
Changes in employment benefits	0.20	
Deferred tax on the above mentioned adjustments	(0.04)	
Equity as per Ind AS	2,244.53	2,373.07
As per P & I	2,244.53	2,373.07

B.4 There is no impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017.

Note-1 Proposed dividend

Under Previous GAAP, proposed dividend is recognised as liability in the period to which they relate irrespective of the approval of shareholders.

Under Ind AS, proposed dividend is recognised as liability in the period in which it is declared (approval of shareholders in general meeting) or paid.

Note - 2 Measurement of financial assets at fair value

Under Previous GAAP, current investments were stated at lower of cost and fair value.

Under Ind AS, these financial assets have been classified as Fair Value Through Profit and Loss ('FVTPL') on the date of transition to Ind AS and fair value changes after the date of transition have been recognised in the statement of profit and loss.

Note - 3 Measurement of financial assets and liabilities at amortised cost

Under Previous GAAP, the financial assets and financial liabilities were typically carried at the contractual amount receivable or payable.

Under Ind AS, certain financial assets and financial liabilities are initially recognised at fair value and subsequently measured at amortised cost which involves the application of effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability.

For certain financial assets and financial liabilities, the fair value thereof at the date of transition to Ind AS has been considered as the new amortised cost of that financial asset and financial liability at the date of transition to Ind AS. The application of effective interest method results in adjustment to carrying amount of Loans, Other Financial Assets, Borrowing and Other Financial Liabilities.

Note - 4 Fair valuation of derivatives

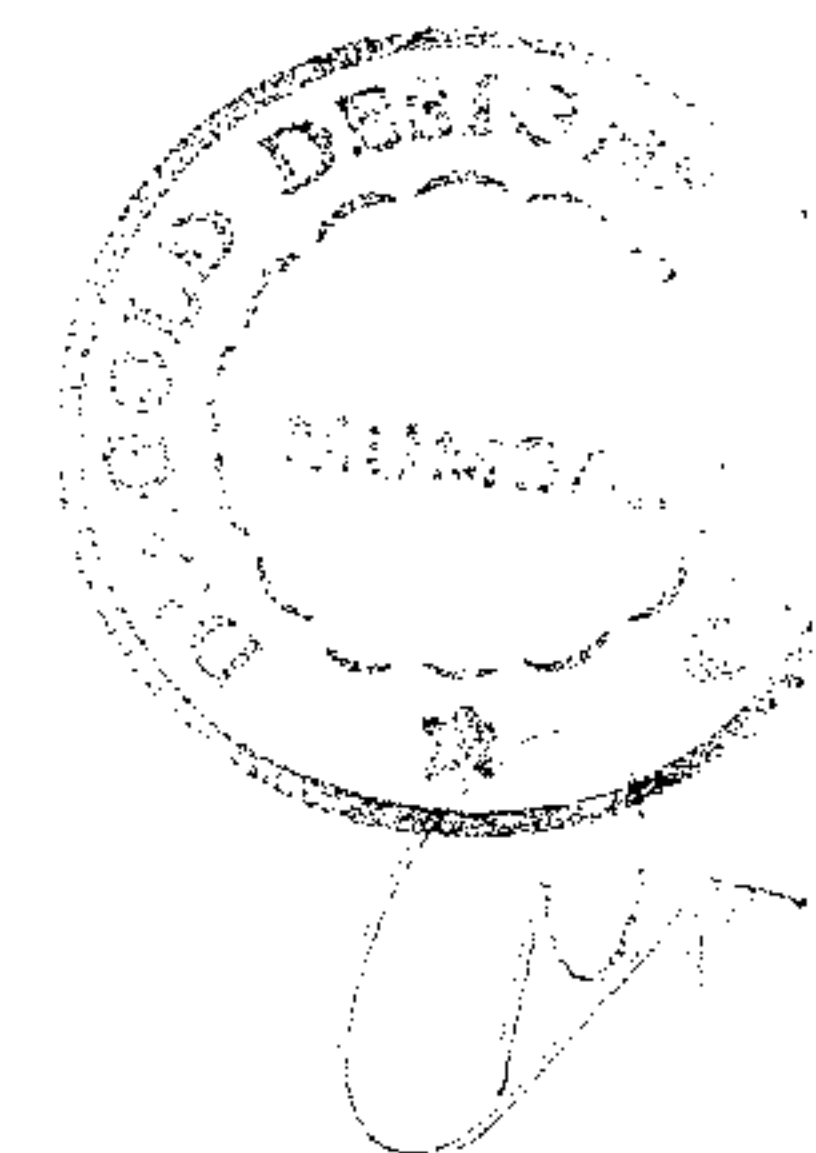
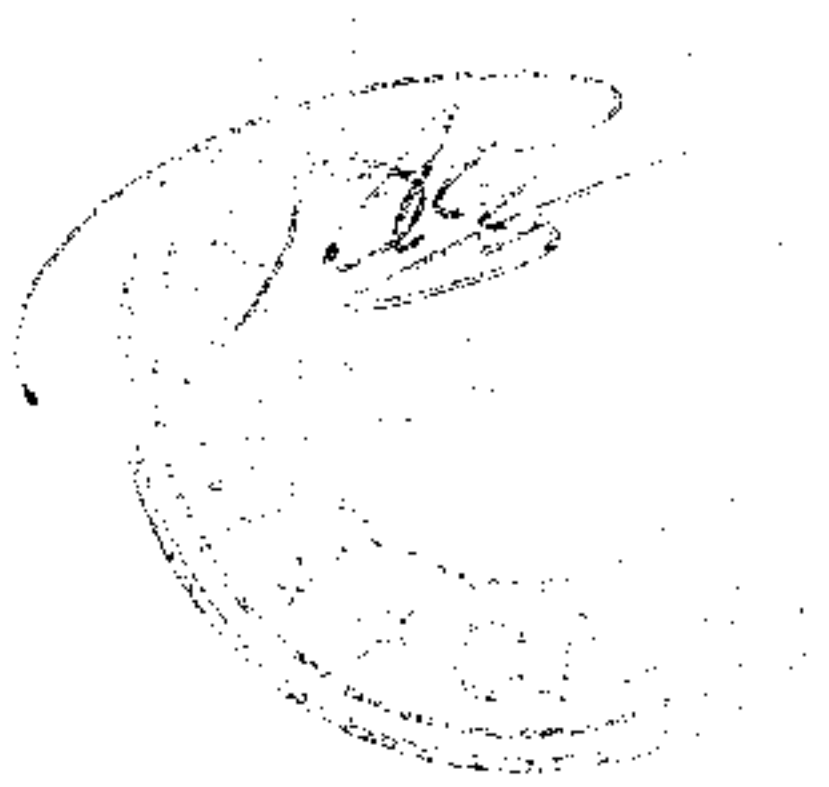
Under Previous GAAP, foreign exchange derivatives used for hedging purposes were restated at each balance sheet date and the premium was amortised over the term of the forward contract.

Under Ind AS, all derivatives are measured at FVTPL and mark-to-market gains or losses are recorded in the period when incurred.

Note - 5 Remeasurements of post-employment benefit obligations

Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit and loss.



DIAGOLD DESIGNS LIMITED

Note - 6 Deferred tax

Under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/ liability on timing differences between taxable income and accounting income. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base. The adjustments in equity and net profit, as discussed above, resulted in additional temporary differences on which deferred taxes are calculated.

Note - 7 Business promotion and discount expenditure

On certain sale transactions, if a particular threshold is met, the Company gives a free gift. Under Previous GAAP, revenue is recorded at the total amount received and the cost of the free gift is recognised as an expense.

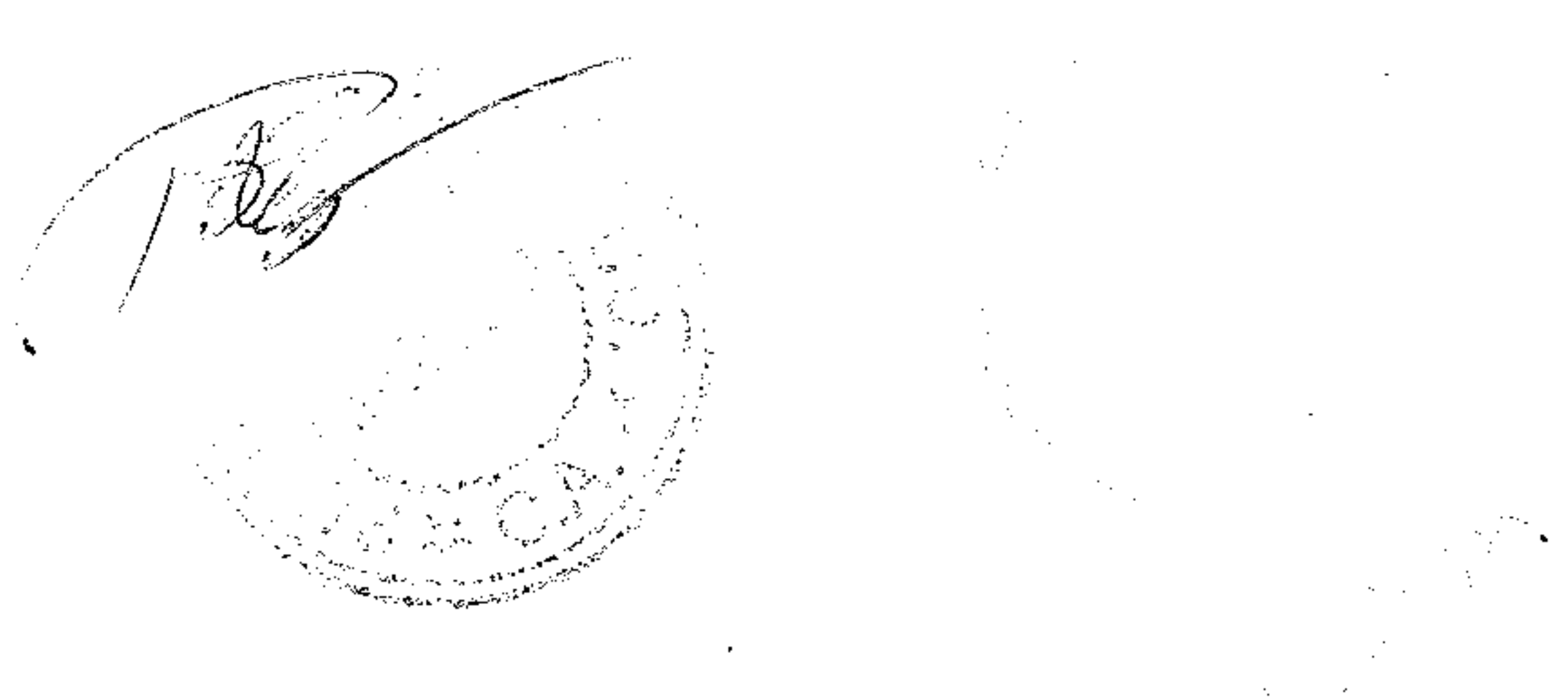
Under Ind AS, the value of the free gift is adjusted from revenue.

Note 8: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in the statement of profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under Previous GAAP.

Note 9: Micro, Small and Medium Enterprises

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for the year ended 31 March 2017 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

A handwritten signature in blue ink is written over a circular stamp. The stamp contains the text "DIAGOLD DESIGNS LIMITED" around the perimeter and "31 MARCH 2017" in the center.

DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2018

Note 27 - Taxation

27(a) - Income tax expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<i>Current tax</i>		
Current tax on profits for the year	-	39
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	39
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	15	(2)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	15	(2)
Income tax expense	15	37

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

Particulars	As at March 31, 2018	As at March 31, 2017
Accounting profit before income-tax :	(20.20)	100.60
Applicable Indian statutory income-tax rate	-	33.063%
Computed expected tax expense	-	33.26
Tax effect of :		
Prior period adjustments		(21,803.40)
Expenses disallowed		1,393,184.56
Expenses allowed		(809,806.11)
Effect of deductible expenses		
Effect of Mat Credit Entitlement		
excess tax adjustment		
Current tax provision	-	561,608.32

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

Notes to financial statements for the year ended March 31, 2018

Note 31 - Earnings Per Share:

Particulars	31.03.2018	31.03.2017
(a) Basic earnings per share		
From continuing operations attributable to the equity holder of the company	(5.05)	25.15
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company		

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

Particulars	31.03.2018	31.03.2017
Basic earnings per share		
Profits attributable to the equity holders of the company used in calculating basic earnings per share	(20.20)	100.60
From continuing operation	<u>(20.20)</u>	<u>100.60</u>
Profits attributable to the equity holders of the company : Used in calculating earnings per share	(20.20)	100.60
Add:		
Profits attributable to the equity holders of the company used in calculating diluted earnings per share		

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

Particulars	31.03.2018 Number of shares	31.03.2017 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earning per share	3,999,929	3999929
Adjustments for calculation of diluted earnings per share: options	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earning per share	3999929	3999929

Note 32 - Contingent Liabilities Not Provided For:

- a The Bank has asked the Company to pay ₹. 74.85 (lacs) for the difference in bank charges which was collected @ 1.20% PA instead of @ 3.60% PA on bank guarantee to issued in favour of The Bank of Nova Scotia for the period 2009-2016. The said amount has not been provided in books, as the Company requested the Bank to waive the said charges, on the legal ground that it is mistake from the Bank and the Company shall not be liable for the past dues.
- b The Company has Outstanding Income Tax Demand, which is not paid as disputed by the Group which is

INCOME TAX ASSESSMENT YEAR	AMOUNT
A.Y. 2010-11	43.46
A.Y. 2011-12	37.99
A.Y. 2012-13	76.98
A.Y. 2013-14	96.51
A.Y. 2014-15	4.47

- 33 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.

34 EARNINGS IN FOREIGN EXCHANGE:

	2017-18	2016-17
F.O.B.Value of Exports	3,421.63	4,363.60

35 VALUE OF IMPORTS ON C.I.F. BASIS :

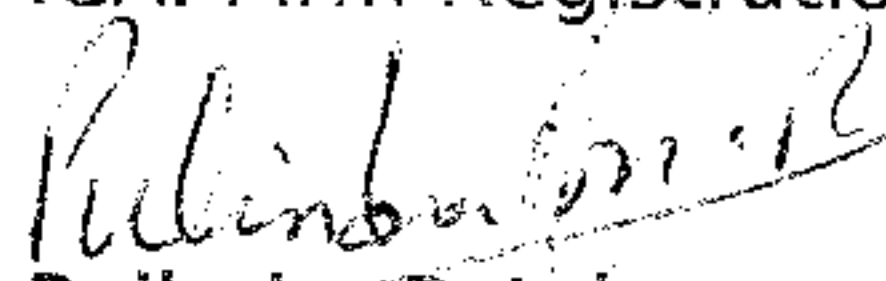
PARTICULARS	2017-18	2016-17
1 Raw Material	2,919.56	2,791.66
2 Consumable Stores	-	-
3 Capital Goods	-	-
4 Foreign Travel	5.81	17.91
5 Other Expenditures	-	0.06
	2,925.37	2,809.63

36 REMUNERATION TO AUDITORS:

PARTICULARS	2017-18	2016-17
1 As Auditors	1.01	1.07
2 Taxation	0.10	0.11
3 Tax Audit Fees	0.15	0.16
4 Others	0.15	0.16
	1.40	1.50

- 37 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. 115187W



Pulindra Patel
Proprietor
Mem No. : 048991

Place : Mumbai
Date : 9th May, 2018

For and on behalf of the Board Directors
Diagold Designs Limited


Nirav M Menta
Managing Director
Din - 017819

Place : Mumbai
Date : 9th May, 2018


Ramesh M. Bhansal
Director
Din - 00057931