



**J. D. Zatakia & Co.**

CHARTERED ACCOUNTANTS

Jitendra D. Zatakia B.Com., F.C.A.

306, Rupa Plaza, Jawahar Road,  
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## INDEPENDENT AUDITORS' REPORT

To the Members of  
**GOLDIAM JEWELLERY LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **GOLDIAM JEWELLERY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

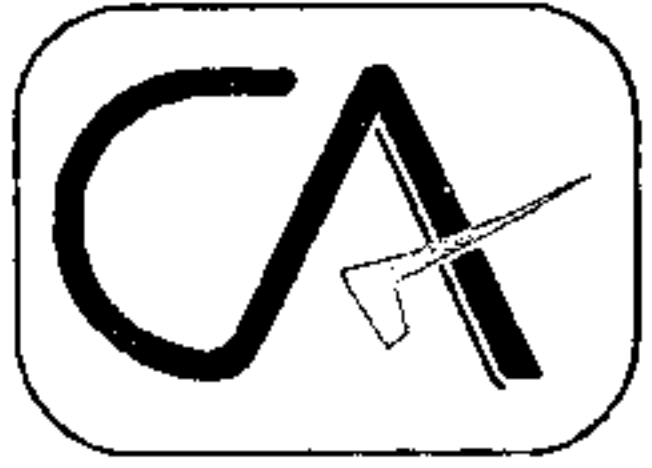
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows 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, 2015 (CARO 2015) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014.
  - (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 B'.
  - (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:
    - i) The company has disclosed the impact of pending litigations on its financial position in its financial position in its standalone financial statements – refer Note 38 to the standalone financial statements.
    - ii) The Company did not have any long term contracts including derivate contracts as at March 31, 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 March 31, 2018.
    - iv) The reporting of on disclosure relating to Specified Bank Note is not applicable to the Company for the year ended March 31, 2018.

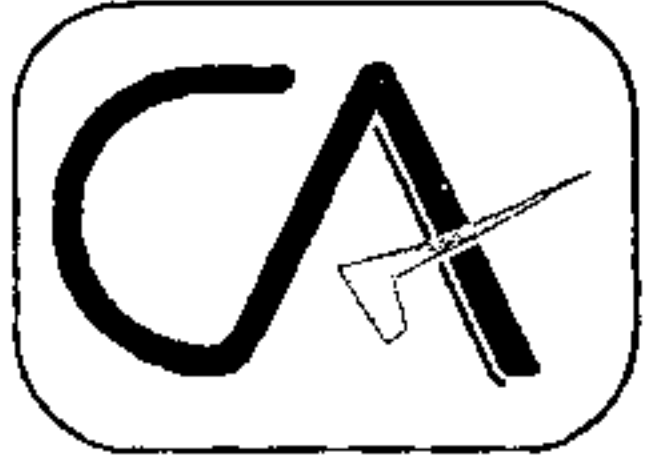
FOR J.D. ZATAKIA & COMPANY  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 111777W

J. D. ZATAKIA - PROPRIETOR  
MEMBERSHIP NO. 17669

Place : Mumbai.

Date : 12/04/2018





**J. D. Zatakia & 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 **GOLDIAM JEWELLERY LIMITED** on the financial statements for the year ended March 31, 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. Accordingly, the provisions of clause 3(iii) (a), (b,) and (c) of the Order are not applicable to the Company and hence not commented upon.
4. As per the information and explanations provided to us, there is no loans, investments, guarantees and securities given by the company.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been so made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a) According to the information and explanations given to us and on the basis of the examination of the books of account, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales- tax, Service tax, Value Added Tax Customs Duty, Excise Duty, and other statutory dues applicable to it with the appropriate authorities.  
  
b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Customs Duty, Excise Duty and other undisputed statutory dues were outstanding, at the year-end for a period of more than six months from the date they became payable.



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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 : 17/04/2018

FOR J.D. ZATAKIA & COMPANY  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 111777W

J. D. ZATAKIA - PROPRIETOR  
MEMBERSHIP NO. 17669





**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

**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 **GOLDIAM JEWELLERY 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.

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

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



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

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### Opinion

In our opinion, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

Place : Mumbai.

Date :

FOR J.D. ZATAKIA & COMPANY  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. 111777W

J. D. ZATAKIA - PROPRIETOR  
MEMBERSHIP NO. 17669

# Goldiam Jewellery Limited

## Standalone balance sheet as at March 31, 2018

(Amounts are in lakhs unless stated otherwise)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1	110.42	70.74	72.83
Capital work-in-progress	1	1.00	1.00	1.00
Other intangible assets	2	59.56	49.56	36.06
i. Investments	3	491.76	1,042.38	894.25
ii. Loans	4	27.60	26.68	9.25
Deferred tax assets	5	58.73	7.94	10.93
<b>Total non-current assets</b>		<b>749.06</b>	<b>1,198.30</b>	<b>1,024.33</b>
<b>Current assets</b>				
Inventories	6	1,450.21	1,399.56	925.69
<b>Financial assets</b>				
i. Investments	7	2,287.91	1,628.32	903.83
ii. Trade receivables	8	11,775.11	10,545.29	8,245.97
iii. Cash and cash equivalents	9	1,187.42	577.39	1,687.59
iv. Bank balances other than (iii) above	10	6.00	4.50	3.50
v. Loans	11	36.85	78.81	507.53
Other current assets	12	98.59	259.06	166.88
<b>Total current assets</b>		<b>16,842.09</b>	<b>14,492.93</b>	<b>12,440.99</b>
<b>Total assets</b>		<b>17,591.16</b>	<b>15,691.23</b>	<b>13,465.32</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	13	100.00	100.00	100.00
Other equity	14	11,798.30	10,270.67	8,704.59
<b>Equity attributable to owners of Goldiam Jewellery Limited</b>		<b>11,898.30</b>	<b>10,370.67</b>	<b>8,804.59</b>
Non-controlling interests		-	-	-
<b>Total equity</b>		<b>11,898.30</b>	<b>10,370.67</b>	<b>8,804.59</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Total non-current liabilities</b>		-	-	-
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
i. Borrowings	15	954.79	537.10	1,036.15
ii. Trade payables	16	4,448.89	4,631.04	3,391.13
iii. Other financial liabilities	17	92.78	60.75	56.22
Provisions	18	190.25	87.36	173.61
Employee benefit obligations	18	6.15	4.31	3.61
<b>Total liabilities</b>		<b>5,692.86</b>	<b>5,320.56</b>	<b>4,660.72</b>
<b>Total equity and liabilities</b>		<b>17,591.16</b>	<b>15,691.23</b>	<b>13,465.31</b>

Notes 1 to 45 form an integral part of these financial statements.

As per attached report of even date.

For J.D. Zatakia & Co.

*J.D. Zatakia*

Jeetendra Zatakia

Mem No. : 17669

Chartered Accountants

ICAI Firm Registration No. 111777W



Kunal H. Vora  
Director  
DIN-01315269

For and on behalf of the Board Directors  
Goldiam Jewellery Limited

*Rashesh M. Bhansali*  
Rashesh M. Bhansali  
Executive Chairman  
DIN-00057931

Place : Mumbai

Date : 18<sup>th</sup> May, 2018



# Goldiam Jewellery Limited

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

(Amounts are in lakhs unless stated otherwise)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
<b>Continuing operations</b>			
Revenue from operations	20	18,695.67	18,406.15
Other income	21	601.65	550.50
<b>Total income</b>		<b>19,297.32</b>	<b>18,956.65</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	22	15,612.56	15,199.34
Purchase of Traded goods		-	-
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	23	(94.71)	(112.40)
Employee benefit expenses	24	378.74	369.38
Finance Cost	25	65.84	40.24
Depreciation and amortisation expense	1	46.21	37.11
Other expenses	26	1,284.96	1,561.88
<b>Total expenses</b>		<b>17,293.60</b>	<b>17,095.55</b>
<b>Profit before exceptional items and tax</b>		<b>2,003.72</b>	<b>1,861.10</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>2,003.72</b>	<b>1,861.10</b>
Income tax expense			
- Current tax	27	741.21	526.31
- Deferred tax	27	(50.79)	2.99
<b>Total tax expense/(credit)</b>		<b>690.42</b>	<b>529.30</b>
<b>Profit from continuing operations</b>		<b>1,313.30</b>	<b>1,331.80</b>
<b>Profit for the year</b>		<b>1,313.30</b>	<b>1,331.80</b>

## Standalone statement of other comprehensive income for the year ended March 31, 2018

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
<i>Items that will be reclassified to profit or loss</i>			
Tax relating to above			
a) Items That Will Not Be Reclassified To Profit Or Loss		215.25	234.83
b) Income Tax Relating To Items That Will Not Be Reclassified To Profit Or Loss		(0.91)	(0.55)
<b>OCI for the year</b>		<b>214.34</b>	<b>234.28</b>
<b>Total comprehensive income for the year</b>		<b>1,527.63</b>	<b>1,566.08</b>
<b>Earnings per share</b>			
Basic	28	131.33	133.18
Diluted		131.33	133.18

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

Notes 1 to 45 form an integral part of these financial statements.

As per attached report of even date.

For J.D. Zatakia & Co.

Jeetendra Zatakia

Mem No. : 17669

Chartered Accountants

ICAI Firm Registration No. 111777W

Kunal H. Vora

Director

DIN-01315269

For and on behalf of the Board Directors

Goldiam Jewellery Limited

Rashesh M. Bhansali

Executive Chairman

DIN-00057931

Place : Mumbai

Date : 18<sup>th</sup> May, 2018



# Goldiam Jewellery Limited

## STATEMENT OF CHANGES IN EQUITY

### A. EQUITY SHARE CAPITAL :

(Amounts are in lakhs unless stated otherwise)

Particulars	Note	No. of shares	Amount
Issued, subscribed and fully paid-up shares Equity share of ₹. 10 each			
Balance as at 1 April 2016	13	1000000	100.00
Changes in Equity Share Capital during the year		-	-
Balance as at 31 March 2017	13	1000000	100.00
Changes in Equity Share Capital during the year		-	-
Balance as at 31 March 2018	13	1000000	100.00

### B. OTHER EQUITY


Particulars		Reserves and surplus	
		Retained Earning	Total
Balance as at 1 April 2016	14	6,894.04	6,894.04
Profit for the year		1,576.13	1,576.13
Other comprehensive income		234.42	234.42
<b>Total comprehensive income</b>	14	<b>1,810.55</b>	<b>1,810.55</b>
Dividends distributed to equity shareholders		-	-
Corporate dividend tax on dividend paid to Equity Shareholders		-	-
Others		-	-
Balance as at 31 March 2017	14	<b>8,704.59</b>	<b>8,704.59</b>
Profit for the year		1,331.80	1,331.80
Other comprehensive income		234.28	234.28
<b>Total comprehensive income</b>	14	<b>1,566.08</b>	<b>1,566.08</b>
Profit for the year		1,313.30	1,313.30
Other comprehensive income		214.34	214.34
<b>Total comprehensive income</b>	14	<b>1,527.63</b>	<b>1,527.63</b>
Dividends distributed to equity shareholders		-	-
Corporate dividend tax on dividend paid to Equity Shareholders		-	-
Balance as at 31 March 2018	14	<b>11,798.30</b>	<b>11,798.30</b>

Notes 1 to 45 form an integral part of these financial statements.

As per attached report of even date.  
For J.D. Zatakia & Co.

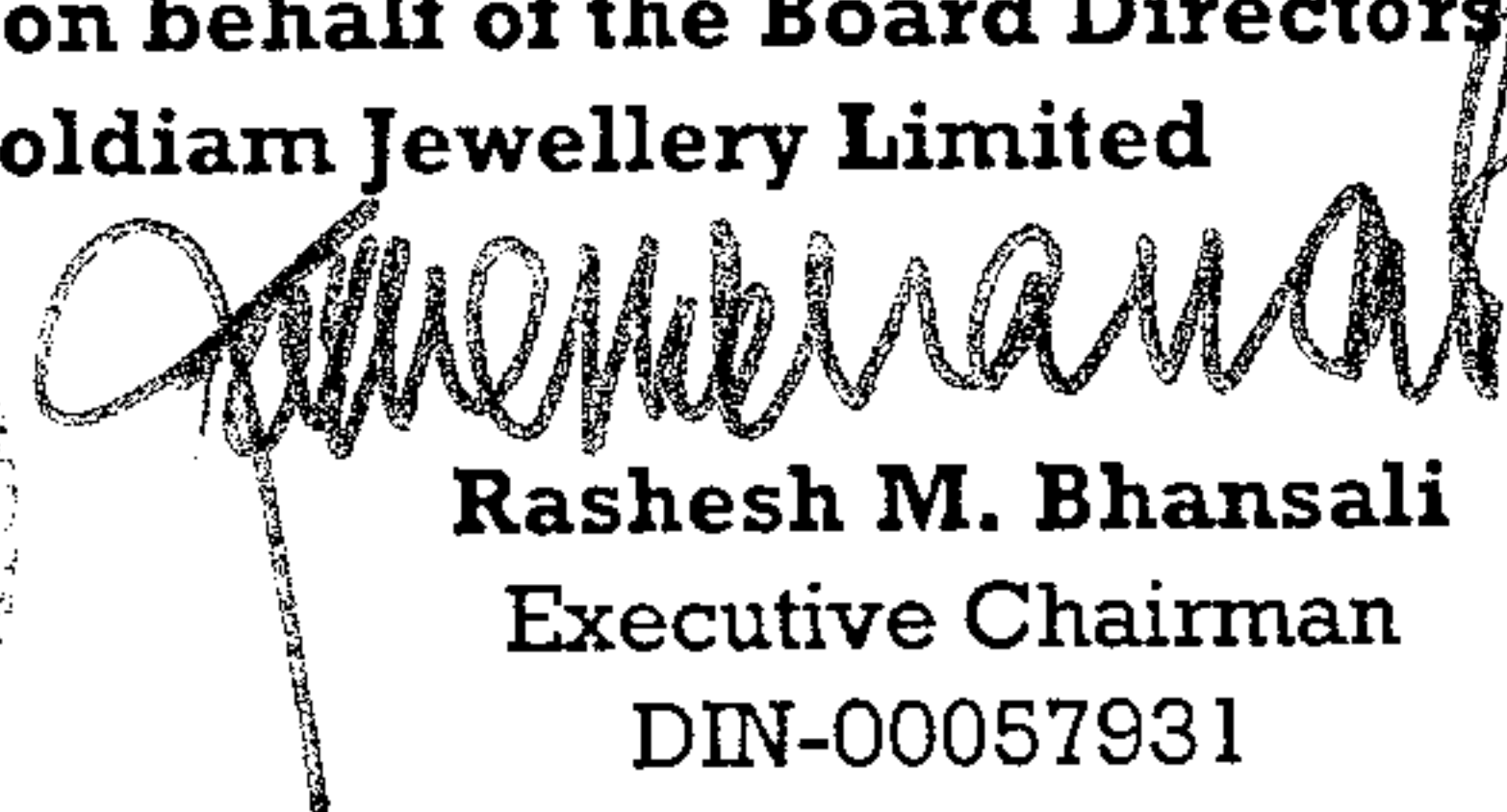


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Kunal H. Vora  
Director  
DIN-01315269

For and on behalf of the Board Directors  
Goldiam Jewellery Limited



  
Rashesh M. Bhansali  
Executive Chairman  
DIN-00057931

Place : Mumbai

Date : 18<sup>th</sup> May, 2018

# Goldiam Jewellery Limited

## Cash flow statement for the year ended 31st March, 2018

(Amounts are in lakhs unless stated otherwise)

Particulars	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
<b>A Cash flow from operating activities :</b>			
Profit before tax		2,003.72	1,861.10
<b>Adjustments for:</b>			
Depreciation and amortization for the year	46.21		37.11
(Profit)/Loss on sale of Investment (Net)	46.34		125.46
Net unrealised foreign exchange (gain)/ loss	(161.54)		486.15
Net (profit)/loss on disposal of property, plant and equipment	(3.10)		(10.55)
Actuarial (gain)/loss forming part of OCI	0.91		0.55
Dividend received	(3.42)		(41.94)
Interest Income	(9.44)		(39.59)
Finance cost	65.84		40.24
		(16.90)	597.43
<b>Operating profit before working capital changes</b>		<b>1,986.82</b>	<b>2,458.52</b>
<b>Adjustments for:</b>			
Decrease/Increase in inventories	(50.65)		(473.87)
Decrease/(increase) in non-current financial assets	(2.44)		1.41
Decrease/(increase) in current financial assets	41.96		428.73
Decrease/(increase) in other current assets	160.47		(92.19)
Increase in trade receivables	(961.08)		(2,734.41)
Increase in trade payables	(289.34)		1,235.72
Increase in current financial liabilities	32.03		4.53
Increase in other current liabilities	1.84		0.70
		(1,067.21)	(1,629.38)
<b>Cash generated from operating activities</b>		<b>919.61</b>	<b>829.14</b>
Income Tax Paid (net)	(638.93)		(629.03)
		(638.93)	(629.03)
<b>Net cash generated from operating activities</b>		<b>280.67</b>	<b>200.11</b>
<b>B Cash flow from investing activities:</b>			
Purchase of property, plant and equipment	(100.32)		(53.24)
Proceeds from disposal of property, plant and equipment	6.60		15.28
Purchase of Investments	(2,226.68)		(6,278.03)
Proceeds from redemption of investments, net	2,286.67		5,514.78
Interest received	9.44		39.59
Dividend received	3.42		41.94
<b>Net cash used in investing activities</b>		<b>(20.93)</b>	<b>(719.69)</b>
<b>C Cash flow from financing activities:</b>			
(Repayment)/proceeds of short term borrowings, net	409.51		(545.93)
Interest paid	(57.69)		(40.24)
<b>Net cash generated from financing activities</b>		<b>351.85</b>	<b>(586.17)</b>
Net increase in cash and cash equivalents (A+B+C)		611.59	(1,105.74)
Cash and cash equivalents at the beginning of the year		581.89	1,687.59
<b>Cash and cash equivalents at the end of the year</b>		<b>1,193.42</b>	<b>581.89</b>

As per attached report of even date.

Notes 1 to 45 form an integral part of these financial statements.

As per attached report of even date.

For J.D. Zatakia & Co.

Jeetendra Zatakia  
Mem No. : 17669  
Chartered Accountants  
ICAI Firm Registration No. 111777W

Kunal H. Vora  
Director  
DIN-01315269

For and on behalf of the Board Directors  
Goldiam Jewellery Limited

Rashesh M. Bhansali  
Executive Chairman  
DIN-00057931

Place : Mumbai  
Date : 18<sup>th</sup> May, 2018



## Goldiam Jewellery Limited

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

#### Company Information

Goldiam Jewellery Limited (the Company) is a public limited company domiciled in India with its registered office located at Gems & Jewellery Complex, M.I.D.C., SEEPZ, Andheri (East) Mumbai - 400 096. The Company is engaged in manufacturing and export of Diamond studded Gold & 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 31<sup>st</sup> March, 2018 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 and the opening Balance Sheet as at 1<sup>st</sup> 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 1<sup>st</sup> 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 set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

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

The financial statements of the Company for the year ended 31st March, 2018 were approved for issue in accordance with the resolution of the Board of Directors on 18th May, 2018.

##### II) Current versus non current classification

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

Expected to be realised or intended to sold or consumed in normal operating cycle.

Held primarily for the purpose of trading

Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**A liability is classified as current when:**

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

## B KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

- (a) Measurement of defined benefit obligations - Note
- (b) Measurement and likelihood of occurrence of provisions and contingencies - Note
- (c) Recognition of deferred tax assets - Note

## C SIGNIFICANT ACCOUNTING POLICIES

### a) Property, Plant and Equipment:

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.

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
Computer software	5
Furniture and fixtures	10
Vehicles	8

Leasehold improvements have been amortised over the estimated useful life of the assets or the period of lease, whichever is lower. The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### De-recognition

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) Leased Assets :

#### Company as a lessee :

##### Operating Leases :

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis.



### c) 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.

The impairment losses and reversals are recognised in statement of profit and loss.

### d) Financial instruments

#### Financial assets

##### Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

##### Subsequent measurement

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

##### Financial assets are subsequently classified as measured at

- amortised cost.
- fair value through profit and loss (FVTPL).
- fair value through other comprehensive income (FVOCI).

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

##### Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

##### Mutual Funds, Equity investment, bonds and other financial instruments :

Mutual Funds, Equity investment, bonds and other financial instruments in the scope of Ind As 109 are measured at fair value through profit and loss account( FVTPL).

#### 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 liabilities include borrowings.

##### De-recognition of financial liabilities

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

### e) Impairment of financial assets

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

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

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

#### **Trade receivables**

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

#### **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.

#### **f) Inventories**

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

Work in progress, manufactured finished goods and traded goods are valued at lower of cost and net realisable value. Cost of work in progress and manufactured finished goods comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Trading goods are valued at Cost or net realisable value, whichever is lower.

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

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

Inventories of cut and polished diamonds are valued at cost or net realisable value whichever is lower based on the valuation report obtained from Government approved Valuer.

#### **g) Foreign Currency Translation**

##### **Initial recognition**

The Company's financial statements are presented in INR, which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

##### **Measurement at the balance sheet date**

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

##### **Treatment of exchange difference**

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

#### **h) 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 asset to be recovered.



Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).

**i) 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.

**j) 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 method

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

**Other long-term employee benefits**

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

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

**Short-term employee benefits**

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

**k) Operating expenses**

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

**l) 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 expensed in the period in which they are incurred and reported in finance costs.

**m) Fair value measurement**

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

**n) 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.

**o) 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.

**p) 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.

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.

**q) Revenue recognition**

Sales of goods

Revenue from sale of goods is recognised on transfer of risk and rewards of ownership of goods to the buyer and when no significant uncertainty exists regarding the amount of consideration that will be derived. Domestic sales are accounted on dispatch of products to customers and Export sales (Net of Returns) are accounted on the basis of dates of Airway Bills. Domestic Sales are disclosed net of Value Added Tax / Goods and Service tax and returns as applicable.

Interest Income

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

Dividend

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

**r) Segment Information**

The Company has one business segment viz. Jewellery Manufacturing and is wholly engaged in export of goods manufactured and hence there are no separate geographical segments.



**Goldiam Jewellery Limited**

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

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

(Amounts are in lakhs unless stated otherwise)

<b>Particulars</b>	<b>Buildings</b>	<b>Furniture fixture and office- equipments</b>	<b>Plant and machinery</b>	<b>Office equipments</b>	<b>Vehicles</b>	<b>Total</b>	<b>Capital work-in- progress</b>
<b>Gross block</b>							
<b>As at April 01, 2016</b>	<b>18.11</b>	<b>67.03</b>	<b>155.63</b>	<b>13.20</b>	<b>59.38</b>	<b>313.34</b>	<b>1.00</b>
Additions	-	-	0.91	2.77	24.99	28.67	-
Deduction	-	-	-	-	31.15	31.15	-
<b>As at March 31, 2017</b>	<b>18.11</b>	<b>67.03</b>	<b>156.54</b>	<b>15.97</b>	<b>53.22</b>	<b>310.86</b>	<b>1.00</b>
Additions	-	0.52	22.11	2.73	45.37	70.73	-
Deduction	-	-	-	-	28.16	28.16	-
<b>As at March 31, 2018</b>	<b>18.11</b>	<b>67.55</b>	<b>178.64</b>	<b>18.70</b>	<b>70.43</b>	<b>353.43</b>	<b>1.00</b>
<b>Accumulated depreciation</b>							
<b>As at April 01, 2016</b>	<b>11.12</b>	<b>58.42</b>	<b>116.36</b>	<b>11.01</b>	<b>43.60</b>	<b>240.51</b>	<b>-</b>
Depreciation charge during the year	0.65	2.77	10.06	1.62	10.93	26.03	-
Deduction	-	-	-	-	26.41	26.41	-
<b>As at March 31, 2017</b>	<b>11.77</b>	<b>61.19</b>	<b>126.42</b>	<b>12.63</b>	<b>28.11</b>	<b>240.13</b>	<b>-</b>
Depreciation charge during the year	0.59	0.92	8.77	1.71	12.91	24.91	-
Deduction	-	-	-	-	22.02	22.02	-
<b>As at March 31, 2018</b>	<b>12.36</b>	<b>62.11</b>	<b>135.19</b>	<b>14.34</b>	<b>19.00</b>	<b>243.02</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>5.75</b>	<b>5.44</b>	<b>43.45</b>	<b>4.36</b>	<b>51.42</b>	<b>110.42</b>	<b>1.00</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>6.34</b>	<b>5.84</b>	<b>30.12</b>	<b>3.34</b>	<b>25.11</b>	<b>70.74</b>	<b>1.00</b>
<b>Net carrying amount as at April 01, 2016</b>	<b>6.99</b>	<b>8.61</b>	<b>39.27</b>	<b>2.19</b>	<b>15.78</b>	<b>72.83</b>	<b>1.00</b>

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

<b>Note 2 - Intangible assets</b>		<b>(Amounts are in lakhs unless stated otherwise)</b>	
<b>Particulars</b>	<b>Computer software</b>	<b>Total</b>	
<b>Gross block</b>			
<b>As at April 01, 2016</b>	<b>45.32</b>	<b>45.32</b>	
Additions	24.57	24.57	
Deduction	-	-	
<b>As at March 31, 2017</b>	<b>69.89</b>	<b>69.89</b>	
Additions	29.65	29.65	
Deduction	-	-	
<b>As at March 31, 2018</b>	<b>99.54</b>	<b>99.54</b>	
<b>Accumulated amortisation and impairment</b>			
<b>As at April 01, 2016</b>	<b>9.26</b>	<b>9.26</b>	
Amortisation charge during the year	11.07	11.07	
Impairment loss during the year	-	-	
<b>As at March 31, 2017</b>	<b>20.33</b>	<b>20.33</b>	
Amortisation charge during the year	19.65	19.65	
Impairment loss during the year	-	-	
<b>As at March 31, 2018</b>	<b>39.98</b>	<b>39.98</b>	
<b>Net carrying amount as at March 31, 2018</b>	<b>59.56</b>	<b>59.56</b>	
<b>Net carrying amount as at March 31, 2017</b>	<b>49.56</b>	<b>49.56</b>	
<b>Net carrying amount as at April 01, 2016</b>	<b>36.06</b>	<b>36.06</b>	



**Goldiam Jewellery Limited**

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

**Note 3 - Non-current investments**

(Amounts are in lakhs unless stated otherwise)

Particulars	No. Of Share/Bond Unit	As at March 31, 2018	No. Of Share/Bond Unit	As at March 31, 2017	No. Of Share/Bond Unit	As at April 01, 2016
<b>In Bond - Quoted, fully paid up</b>						
8.20% Tax Free National Highways Authority Of India 10 Years Bond	-	-	7,417	83.37	7,417	82.33
<b>In Preference Shares - Quoted, Fully Paid Up</b>						
15.99% II&FS Ltd Non-Convertible Redeemable Cumulative Preference Share 16/05/	-	-	1,880	263.20	1,880	278.52
<b>In Units Of Mutual Fund - Quoted</b>						
Birla Sun Life Fixed Term Plan - Series Of (1151 Days) - Growth - Regular	500,000	53.84	500,000	50.26		
Reliance Fixed Horizon Fund Xxviii - Series 14 - Growth Plan	-	-	750,000	90.71	750,000	82.30
<b>In Others</b>						
Ask Real Estate Special Opportunities Fund - II	175	167.90	114	106.75	70	63.00
Orios Venture Partners Fund - I	300,000	270.02	247,500	247.50	187,500	187.50
<b>In Preference Shares - Unquoted, Fully Paid Up</b>						
8.33% Tata Capital Ltd Non-Convertible Redeemable Cumulative Preference Share	-	-	20,000	200.60	20,000	200.60
		<b>491.76</b>		<b>1,042.38</b>		<b>894.25</b>
Aggregate amount of quoted investments		53.84		487.53		443.15
Aggregate market value of listed and quoted investments		53.84		487.53		443.15
Aggregate amount of unquoted investments		437.93		554.85		451.10
Aggregate amount of unquoted investments		-		-		-

## Goldiam Jewellery Limited

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

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

(Amounts are in lakhs unless stated otherwise)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Capital advances</b>			
Unsecured, considered good	4.56	4.24	3.68
Unsecured, considered doubtful	-	-	-
	4.56	4.24	3.68
Provision for doubtful Capital advances	-	-	-
	4.56	4.24	3.68
<b>Other loans and advances, unsecured, considered good</b>			
Advance income-tax(net of provision for taxation)	23.04	22.43	5.57
	23.04	22.43	5.57
<b>Total</b>	<b>27.60</b>	<b>26.68</b>	<b>9.25</b>

#### Note 5 - Deferred tax assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Deferred tax asset arising on account of :</b>			
Diff. between accounting base and tax base of PPP	7.12	7.73	10.76
Provision for employee benefits	0.21	0.21	0.17
Deferred tax assets arising on account of	-	-	-
Provision for Doubtful Debts	51.39	-	-
<b>Total</b>	<b>58.73</b>	<b>7.94</b>	<b>10.93</b>

#### Note 6 - Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw materials (Refer note )	1,121.21	1,165.35	803.96
Stock in Process	327.70	232.99	120.59
Finished goods (Refer Note)	-	-	-
Stock of Consumable Stores & Spare parts (at cost)	1.30	1.23	1.14
<b>Total</b>	<b>1,450.21</b>	<b>1,399.56</b>	<b>925.69</b>



**Goldiam Jewellery Limited**

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

**Note 7 - Current investments**

(Amounts are in lakhs unless stated otherwise)

Particulars	No. Of Share/Bond Unit	Rs at March 31, 2018	No. Of Share/Bond Unit	Rs at March 31, 2017	No. Of Share/Bond Unit	As at April 01, 2016
<b>In Share - Quoted, Fully Paid Up</b>						
Ajanta Pharma Limited	-	-	1,434	25.24	-	-
Amara Raja Batteries Limited	-	-	4,114	36.57	-	-
Asian Paints Limited	-	-	3,394	36.36	-	-
Astral Poly Technik Limited	-	-	6,099	33.39	-	-
Bajaj Finance Limited	-	-	4,399	51.65	-	-
Bajaj Finserv Limited	-	-	1,320	53.96	-	-
Britannia Industries Limited	-	-	1,283	43.40	-	-
Cholamandalam Investment And Finance Company Limited	-	-	3,161	30.49	-	-
Eicher Motors Limited	-	-	162	41.40	-	-
Havells India Limited	-	-	8,434	39.48	-	-
Indusind Bank Limited	-	-	3,277	46.19	-	-
Kotak Mahindra Bank Limited	-	-	3,968	34.60	-	-
Lupin Limited	-	-	2,692	38.89	-	-
Motherson Sumi Systems Limited	-	-	12,029	44.84	-	-
MRFLimited	-	-	70	42.51	-	-
Page Industries Limited	-	-	276	40.41	-	-
Pi Industries Limited	-	-	4,970	41.61	-	-
Pidilite Industries Limited	-	-	4,287	29.96	-	-
Shree Cement Limited	-	-	196	33.36	-	-
Welspun India Limited	-	-	25,431	22.26	-	-
<b>In Units Of Mutual Fund - Quoted</b>						
Reliance Fixed Horizon Fund Xxviii - Series 14 - Growth Plan	750,000	97.82	-	-	-	-
<b>In Units Of Mutual Fund - Unquoted</b>						
Ambit Alpha Fund-Scheme I Series Ambit Alpha Sep 2015 Sr I Opt II	-	-	-	-	9,943	102.29
Boi Axa Corporate Credit Spectrum Fund - Regular Plan	1,500,000	200.23	1,500,000	180.20	1,500,000	160.22
Edelweiss Banking And Psu Debt Fund - Regular Plan - Growth (*)	-	-	1,380,199	186.61	1,380,199	173.59
Hdfc Mid-Cap Opportunities Fund - Regular Plan	-	-	477,002	237.53	477,002	172.91
Icici Prudential Flexible Income - Regular Plan - Growth	291,405	971.30	20,238	63.01	20,238	57.93
Icici Prudential Short Term Plan - Growth	707,064	256.04	-	-	-	-
Kotak Medium Term Fund - Growth (Regular Plan)	-	-	1,435,846	194.38	1,435,846	176.25
Kotak Flexi Debt Regular Plan Growth	2,053,650	457.80	-	-	-	-
Reliance Corporate Bond Fund - Growth Plan	2,196,499	304.72	-	-	-	-
Sundaram Flexi Fund Short Term Plan Bonus	-	-	-	-	503,363	60.64
* Note: Old Name - Jp Morgan India Banking And Psu Debt Fund - Regular - Growth						
<b>Total</b>		<b>2,287.91</b>		<b>1,628.32</b>		<b>903.83</b>

Aggregate amount of quoted investments	97.82	766.58	-
Aggregate market value of listed and quoted investments	97.82	766.58	-
Aggregate amount of unquoted investments	2,190.09	861.74	903.83
Aggregate Provision for Impairment in the Value of Investments	-	-	-

**Goldiam Jewellery Limited**

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

**Note 8 - Trade receivables**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>			
Unsecured, considered good	19.77	94.66	73.61
Doubtful	-	-	-
	19.77	94.66	73.61
Less : Provision for doubtful receivables	148.50	-	-
	(128.73)	94.66	73.61
Other receivables	11,903.84	10,450.63	8,172.36
Unsecured, considered good	-	-	-
<b>Total</b>	<b>11,775.11</b>	<b>10,545.29</b>	<b>8,245.97</b>

**Note 9 - Cash and cash equivalents**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Cash on hand	20.46	14.81	1.59
Bank balances			
- Current Account	55.21	121.68	904.05
- EEFC Account	1,111.75	440.91	781.95
<b>Total</b>	<b>1,187.42</b>	<b>577.39</b>	<b>1,687.59</b>

**Note 10 - Other bank balances**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Margin money deposits	6.00	4.50	3.50
<b>Total</b>	<b>6.00</b>	<b>4.50</b>	<b>3.50</b>

**Note 11 - Short term loans and advances**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Others	36.85	78.81	507.53
<b>Total</b>	<b>36.85</b>	<b>78.81</b>	<b>507.53</b>

**Note 12 - Other current assets**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Balance with govt authorities	95.71	246.83	158.62
Prepaid expenses	2.89	12.17	8.25
<b>Total</b>	<b>98.60</b>	<b>259.00</b>	<b>166.87</b>



## Goldiam Jewellery Limited

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

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

##### Share capital

(Amounts are in lakhs unless stated otherwise)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Authorised shares</b>			
1000000 Equity Shares of ₹ 10/- each (Previous Year 1000000 Equity Shares of ₹10/- each)	100.00	100.00	100.00
<b>Issued, subscribed and fully paid-up shares</b>			
1000000 Equity Shares of ₹ 10/- each (Previous year 1000000 Equity Shares)	100.00	100.00	100.00
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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

Equity Shares	Nos.	INR in Lakhs
Balance as at 01st April 2016	1000000	100.00
Changes during the period	-	-
Balance as at 31st March 2017	1000000	100.00
Changes during the period	-	-
<b>Balance as at 31st March 2018</b>	<b>1000000</b>	<b>100.00</b>

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

The company has only one class of equity shares having par value of ₹. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

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.

The distribution will be in proportion to the number of equity shares held by the equity 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		As at April 01, 2016	
	Nos. of Shares	% holding in the class	Nos. of Shares	% holding in the class	Nos. of Shares	% holding in the class
Equity shares of ₹. 10/- each fully paid Goldiam International Limited	1000000	100%	1000000	100%	1000000	100%

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.

#### Note 14 - Other Equity

(Amounts are in lakhs unless stated otherwise)

Reserves and Surplus	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Surplus in the statement of profit and loss</b>			
Balance as per the last financial statements	10,270.67	8,704.59	6,894.04
Profit for the year	1,527.63	1,566.08	1,810.55
Closing Balance	<b>11,798.30</b>	<b>10,270.67</b>	<b>8,704.59</b>
<b>TOTAL</b>	<b>11,798.30</b>	<b>10,270.67</b>	<b>8,704.59</b>

**Goldiam Jewellery Limited**

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

**Note 15 - Short term borrowings**

(Amounts are in lakhs unless stated otherwise)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Packing Credit In Foreign Currency With Citibank	674.70	-	-
Post Shipment Credit in Foreign Currency with HSBC Bank Ltd.	280.08	537.10	1,036.15
<b>Total</b>	<b>954.79</b>	<b>537.10</b>	<b>1,036.15</b>

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

Type of Loan	Rate of Interest	Maturity Period
Pre-shipment credit in foreign currency	2.73% to 3.24%	Apr-18 to Dec-18
Post shipment credit in foreign currency	3.12% to 3.24%	Apr-18 to May-18

**Secured Loan details**

Credit facilities from HSBC Bank Ltd. for ₹. 300 lakhs Secured by first pari passu charge on Present & Future Inventories, Receivables and First and exclusive charge on Plant & Machinery & all moveable fixed assets and Corporate Guarantee by Holding Company M/S Goldiam International Ltd. and pledge of following Mutual Funds through HSBC Bank and Demand Promisory note for ₹. 300.00 lakhs

Particulars	Unit
ICICI Prudential Flexible Income - Regular Plan - Growth	20238.015

Credit facilities from CITI bank N.A. for ₹. 200 lakhs is secured by mutual funds as per follows.

Particulars	Unit
Reliance Corporate Bond Fund - Growth Plan	2196498.781
ICICI Prudential Short Term Plan - Growth	707063.565
Kotak Flexi Debt Regular Plan Growth	2053649.623

**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 (Refer Note.	196.80	141.13	91.29
Others	4,252.09	4,489.90	3,299.83
<b>Total</b>	<b>4,448.89</b>	<b>4,631.04</b>	<b>3,391.13</b>

**a) DETAILS OF DUES TO MICRO, MEDIUM AND SMALL ENTERPRISES :**

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	196.80	141.13	91.29
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act,2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act,2006.	Nil	Nil	Nil
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil	Nil
v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Media Enterprise Development Act,2006.	Nil	Nil	Nil



**Goldiam Jewellery Limited****Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2018****Note 17 - Other current financial liabilities**

(Amounts are in lakhs unless stated otherwise)

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
a) Statutory dues payable	13.83	11.31	4.48
b) Salaries due to director	19.62	20.34	27.28
c) Advance received from clients	58.84	23.20	23.20
d) Other Liabilities	0.49	5.90	1.26
<b>Total</b>	<b>92.78</b>	<b>60.75</b>	<b>56.22</b>

**Note 18 - Short term provisions**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Provision for tax net of prepaid expenses	190.25	87.36	173.61
<b>Total</b>	<b>190.25</b>	<b>87.36</b>	<b>173.61</b>

**Note 19 - Short term employee benefit obligations**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
(a) Provision for employee benefits:			
(i) Provision for gratuity (net) (Refer Note 20.02)	5.30	3.68	3.12
(ii) Provision for Leave Salary	0.84	0.63	0.49
<b>Total</b>	<b>6.14</b>	<b>4.31</b>	<b>3.61</b>

**Goldiam Jewellery Limited**

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

**Note 20 - Revenue from operations**

(Amounts are in lakhs unless stated otherwise)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Operating Income :</b>		
(a) Manufactured goods	17,880.63	18,167.75
(b) Traded goods	815.04	238.40
	<u>18,695.67</u>	<u>18,406.15</u>
Less : Vat	-	-
	<u>18,695.67</u>	<u>18,406.15</u>
<b>Sale of products comprises :</b>		
<b>(a) Manufactured goods</b>		
Sales of gold Jewellery	17,870.84	18,167.75
Sales of Silver Jewellery	1.56	-
Sales of Other Misc. Products	8.24	-
	<u>17,880.63</u>	<u>18,167.75</u>
<b>(b) Traded goods</b>		
Sales of Cut & Polished Diamond	787.02	230.93
Sales of Colour stones	-	3.69
Sale of Gold	28.02	3.78
	<u>815.04</u>	<u>238.40</u>

**Note 21 - Other income**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Dividend income from investments	3.42	41.44
Dividend on Mutual Fund	-	0.50
Interest received on Bond	2.42	6.07
Interest received	6.78	6.48
Interest Received on Loan and Others	0.24	27.04
Net gain on foreign currency transactions and translation	455.99	46.88
Profit on Sale of Assets	2.10	10.55
Misc Income	-	3.79
Credit Balance written back	-	1.97
Discount Received	0.01	18.06
Bad Debt Recovered	130.49	387.73
Sale of Scrap	0.20	-
<b>Total</b>	<u>601.65</u>	<u>550.50</u>

**Goldiam Jewellery Limited**

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

**Note 22 - Cost of materials consumed**

<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Opening Stock	1,165.35	803.96
Add: Purchases		
Gold	3,502.91	3,874.38
Cut & Polished Diamonds	10,403.42	11,519.30
Gold Findings	57.61	112.16
Platinum	0.80	22.08
Colour Stone	1.96	0.45
Semi Finished Gold Jewellery	1,590.27	8.65
Silver Jewellery	0.02	-
Alloy	11.43	23.70
	<u>16,733.77</u>	<u>16,364.68</u>
Less : Closing Stock	1,121.21	1,165.35
<b>Total</b>	<u>15,612.56</u>	<u>15,199.34</u>

(a) Raw Materials Consumed Comprise :

Gold	3,421.41	3,848.03
Diamonds	9,707.40	11,180.16
Gold Findings	57.49	108.38
Platinum	-	19.14
Colour Stone	1.79	0.44
Semi Finished Gold Jewellery	1,590.27	27.15
Semi Finished Silver Jewellery	0.02	-
Alloy	11.41	16.03

(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.

<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Raw Materials		
(i) Imported	5,747.52	5,517.83
(ii) Indigenous	9,042.27	9,681.51



**Goldiam Jewellery Limited****Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2018****Note 23 - (Increase)/Decrease in inventories**

<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	-	-
Work-in-progress	232.99	120.59
Traded goods	-	-
	<u>232.99</u>	<u>120.59</u>
<b>Inventories at the end of the year</b>		
Finished goods	-	-
Work-in-progress	327.70	232.99
Traded goods	-	-
	<u>327.70</u>	<u>232.99</u>
	<u>(94.71)</u>	<u>(112.40)</u>

**Note 24 - Employee benefit expenses**

<b>Particulars</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Salaries, Wages, Bonus & Ex-gratia	372.61	363.31
Contribution to E.S.I.C.	0.09	0.17
Contribution to Provident Fund	0.75	0.83
Provision / Contribution to Group Gratuity and LIC	1.23	0.89
Workmen & Staff Welfare expenses	4.06	4.18
<b>Total</b>	<u>378.74</u>	<u>369.38</u>

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

Defined Contribution Plan :

Contribution to Provident Fund is ₹. 0.75 Lakhs/- (Previous Year ₹ 0.83 Lakhs) , ESIC and Labour Welfare Fund Includes ₹. 0.09 Lakhs- (Previous Year ₹. 0.17 Lakhs).

**Goldiam Jewellery Limited**

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

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 Funded		Leave Encashment	
	As at March 31, 2018	As at March 31, 2017	Non Funded As at March 31, 2018	Non Funded As at March 31, 2017
<b>Reconciliation of opening and closing balances of the present value of the defined benefit Obligation:</b>				
Present Value of obligation as at beginning of year	3.68	3.12	0.63	0.50
Current service cost	1.08	0.86	0.59	0.58
Interest cost	0.27	0.20	0.01	0.00
Actuarial (gain) / loss	0.32	0.07	0.60	0.49
Benefits paid	-	(0.58)	(0.99)	(0.95)
Present Value of obligation as at end of the year	5.35	3.68	0.83	0.63
<b>Change in Plan assets</b>				
Plan assets at period beginning , at fair value	1.69	1.78	-	-
Expected return on plan assets	0.13	0.12	-	-
Actuarial (gain) / loss	0.01	0.02	-	-
Contribution	0.17	0.35	0.99	0.95
Benefits paid	-	(0.58)	(0.99)	(0.95)
Fair value of Plan assets at end of the year	2.00	1.69	-	-
<b>Fair Value of Plan Assets</b>				
Fair Value of plan assets at beginning of year	1.69	1.78	-	-
Actual return on plan assets	0.14	0.14	-	-
Contributions	0.17	0.35	0.99	0.95
Benefits paid	-	(0.58)	(0.99)	(0.95)
Fair Value of plan assets at the end of year	2.00	1.70	-	-
Funded status	-	-	-	-
Excess of Actual over estimated return	Nil	Nil	Nil	Nil
<b>The Amounts to be recognized in the balance sheet and</b>				
Present value of obligations as at the end of year	5.35	3.68	0.83	0.63
Fair value of plan assets as at the end of the year	2.00	1.70	-	-
Funded status	-	-	-	-
Net asset/(liability) recognized in balance sheet	3.35	1.98	0.83	0.63
<b>Expenses for the year</b>				
Current service cost	1.08	0.86	0.59	0.58
Interest cost on benefit obligation	0.27	0.20	0.01	0.00
Expected return on plan assets	(0.13)	(0.12)	-	-
Net actuarial (gain)/loss recognised in the year	-	-	-	-
Total Expenses Recognised in the Profit and Loss Account	1.22	0.94	0.60	0.58

**Goldiam Jewellery Limited**

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

Assumptions	Gratuity Funded		Leave Encashment	
	As at March 31,	As at March 31,	As at March 31,	As at March 31,
	2018	2017	2018	2017
Discount Rate	7.52%	7.19%	7.52%	7.19%
Employee Turnover	5.00%	5.00%	5.00%	5.00%
Salary Escalation	8.00%	8.00%	8.00%	8.00%
Mortality	2006-08 LIC Mortality Table (Std)			

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

**Note 25 - Net finance costs**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on Bank Loan	31.84	22.47
Other Interest	0.01	0.01
Bank Guarantee Commission	17.75	17.75
Exchange difference on Loan	8.18	-
Samp Duty	8.06	-
<b>Total</b>	<b>65.84</b>	<b>40.24</b>

**Note 26 - Other expenses**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Stores & Spares	23.44	19.19
Power & Water	34.98	34.90
Repairs & Maintenance (Building)	0.36	15.21
Machinery & Electrical Repairs	3.54	3.66
Grooving charges	2.00	3.52
Insurance (Building)	0.11	0.11
Other Manufacturing expenses	440.60	409.07
Clearing Charges	7.59	9.39
Insurance Charges	1.31	1.36
Rent Rates & Taxes	18.60	18.24
Repairs & Maintenance	2.00	5.32
Donation	1.11	0.61
Discount Expenses	271.57	133.47
Commission on sales	8.00	177.00
Exchange difference	-	38.27
Corporate Social Responsibility Contribution	34.55	28.30
Travelling and conveyance	41.35	67.24
Telephone charges	2.50	3.23
Printing & Stationery	1.89	1.69
Portfolio Management Fees	10.23	7.70
Security Transaction Tax	-	0.88
Vehicle Expenses	1.72	1.68
Auditors' Remuneration	1.00	0.40
Professional charges	101.13	160.60
Bank Charges	3.50	4.34
Bad Debts	-	207.16
Provision for Doubtfull Bad Debs	148.50	-
Loss on sale of Investment	46.64	125.46
General Expenses	76.73	83.88
<b>Total</b>	<b>1,284.96</b>	<b>1,561.88</b>

**Consumable Stores & Spares :**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) Imported	15.56	12.80
b) Indigenous	7.88	6.38



**Goldiam Jewellery Limited**

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

**Note 27 - Taxation**

*-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	741.21	526.31
Adjustments for current tax of prior periods		
<b>Total current tax expense</b>	<b>741.21</b>	<b>526.31</b>
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	(50.79)	
(Decrease)/increase in deferred tax liabilities		2.99
<b>Total deferred tax expense/(benefit)</b>	<b>(50.79)</b>	<b>2.99</b>
<b>Income tax expense</b>	<b>690.42</b>	<b>529.30</b>

**Note 28 - Earning Per Share:**

Particular	Year ended March 31, 2018	Year ended March 31, 2017
Profit after Tax	1,313.30	1,331.80
No. of shares outstanding	1000000	1000000
Weighted Average No. of shares + potential shares o/s	1000000	1000000
Earning per share (Basic)	131.33	133.18
Earning per share (Diluted)	131.33	133.18

**Note 29 - Value Of Imports On C.I.F. Basis:**

Particular	Year ended March 31, 2018	Year ended March 31, 2017
1. Raw Materials	5,777.73	5,619.86
2. Consumable Stores	15.56	12.72
3. Capital Goods	29.65	24.57

**Note 30 - Expenditure In Foreign Currency:**

Particular	Year ended March 31, 2018	Year ended March 31, 2017
1. Foreign Travels	0.04	18.25
2. Others	14.65	9.62

**Note 31 - Earnings In Foreign Exchange:**

Particular	Year ended March 31, 2018	Year ended March 31, 2017
1. F.O.B.Value of Exports	17,860.12	18,388.66

**Note 32 - Remuneration to Auditors:**

Particular	Year ended March 31, 2018	Year ended March 31, 2017
As Auditors	0.90	0.40
Tax Audit Fees	0.10	0.05
<b>Total</b>	<b>1.00</b>	<b>0.45</b>

**Goldiam Jewellery Limited**

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

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

Note 33 - Details of Related parties transactions are as under :

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

Holding Company	Goldiam International Limited
Fellow subsidiaries	Goldiam USA Inc.
Associates	Goldiam HK Ltd Eco-Friendly Diamod LLP
Key Management Personnel	Mr. Rashesh M. Bhansali (Executive Chairman) Mrs. Ami R. Bhansali ( Whole Time Director) Mr. Kunal Vora ( Executive Director) Mr. Anmol R. Bhansali (Non-Executive Director)
Relative of Key Management Personnel	Mrs. Tulsi Gupta ( Daughter of Executive Chairman) Mr. Anmol R. Bhansali (Son of Executive Chairman) Mrs. Nehal Vora ( Spouse of Executive Director)

b) Transactions during the year with related parties:

(Amounts are in lakhs unless stated otherwise)

Sr. No	Particulars	Holding Company			Key Management Personnel			Relatives of Key Managerial Person		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
1	Corporate Bank Guarantee Charges	17.75	17.75	17.75	-	-	-	-	-	-
2	Guarantee taken	-	-	-	-	-	-	-	-	-
3	<b>Purchase of Goods</b>									
	Goldiam International Limited	3,120.91	1,360.09	1,650.42	-	-	-	-	-	-
	Goldiam USA Inc.	140.07	13.00	11.58	-	-	-	-	-	-
	Goldiam HK Limited	-	-	-	-	-	-	-	-	-
4	<b>Sales of Goods</b>									
	Goldiam International Limited	818.18	182.11	-	-	-	-	-	-	-
	Goldiam USA Inc.	7,975.72	5,967.95	2,595.01	-	-	-	-	-	-
	Goldiam HK Limited	-	-	-	-	-	-	-	-	-
5	<b>Rent Paid</b>	2.40	2.40	2.40	-	-	-	-	-	-
6	<b>Job work charges paid</b>	2.82	2.96	1.57	-	-	-	-	-	-
7	<b>Payments to &amp; provision for Directors'</b>									
	Rashesh M. Bhansali	-	-	-	120.00	120.00	-	-	-	-
	Ami R. Bhansali	-	-	-	120.00	120.00	110.16	-	-	-
	Kunal Vora	-	-	-	81.83	82.81	16.79	-	-	-
	Nehal Vora	-	-	-	-	-	-	60.73	132.80	55.56
	Tulsi Gupta	-	-	-	-	-	-	29.88	17.82	13.52

**Goldiam Jewellery Limited**

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

Sr. No	Particulars	Holding Company			Key Management Personnel			Relatives of Key Managerial Person		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
1	<b>Outstanding Guarantee given</b> Goldiam International Limited	3,550.00	3,550.00	3,550.00	-	-	-	-	-	-
2	<b>Outstanding Receivables</b> Goldiam International Limited	289.71	-	-	-	-	-	-	-	-
	Goldiam USA Inc.	6,836.80	5,061.03	2,203.86	-	-	-	-	-	-
	Goldiam HK Limited	-	-	-	-	-	-	-	-	-
3	<b>Outstanding Payables</b> Goldiam International Limited	1,588.67	183.82	164.39	-	-	-	-	-	-
	Goldiam USA Inc.	-	-	-	-	-	-	-	-	-
	Goldiam HK Limited	-	-	-	-	-	-	-	-	-
	Rashesh M. Bhansali	-	-	-	6.45	6.45	-	-	-	-
	Ami R. Bhansali	-	-	-	6.68	6.67	26.16	-	-	-
	Kunal Vora	-	-	-	6.49	7.23	1.13	-	-	-
	Nehal Vora	-	-	-	-	-	-	-	19.44	2.70
	Tulsi Gupta	-	-	-	-	-	-	1.89	2.67	3.00



## Goldiam Jewellery Limited

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

#### Note 34 - Financial Instruments / Forward Contracts:

##### a) Forward Contracts :

The Company is exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flow denominated in foreign currency. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies. The Company enters into forward contracts, where the counterparty is a Bank. The forward contracts are not used for trading or speculation purposes.

##### b) Unhedged foreign currency exposure :

(Amounts are in lakhs unless stated otherwise)

Particular	Currency	31.03.2018		31.03.2017		31.03.2016	
Outstanding Receivables	USD	\$ 168.45	10,978.57	156.73	9,972.62	116.10	7,563.78
Outstanding creditors for goods and spares	USD	\$ 66.71	4,347.54	66.74	4,410.55	48.08	3,239.21
Outstanding creditors for goods and spares	EURO	€ 0.0056	0.45	€ 0.0036	0.25	€ 0.0021	0.16
Exchange Earner's Foreign Currency a/c with Banks	USD	\$ 17.06	1,111.75	6.93	440.91	12.04	781.95
Packing credit in foreign currency with Bank	USD	\$ 10.35	674.70	-	-	-	-
Post shipment credit in foreign currency with Bank	USD	\$ 4.30	280.08	8.44	537.10	15.96	1,036.51

## Goldiam Jewellery Limited

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

#### Note 35 - 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

As at 31 March 2018	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments at fair value through profit or loss				
Equity	-	-	-	-
Mutual funds	151.66	2,190.09	-	2,341.75
Other	-	-	437.93	437.93
<b>Total financial assets</b>	<b>151.66</b>	<b>2,190.09</b>	<b>437.93</b>	<b>2,779.67</b>
<b>As at 31 March 2017</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets				
Investments at fair value through profit and loss				
Shares	1,029.78	200.60	-	1,230.38
Mutual funds	140.97	861.74	-	1,002.71
Bonds	83.37	-	-	83.37
Other	-	-	354.25	354.25
<b>Total financial assets</b>	<b>1,254.11</b>	<b>1,062.34</b>	<b>354.25</b>	<b>2,670.70</b>
<b>As at 1 April 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets				
Investments at fair value through profit and loss				
Shares	278.52	200.60	-	479.12
Mutual funds	82.30	903.83	-	986.13
Bonds	82.33	-	-	82.33
Other	-	-	250.50	250.50
<b>Total financial assets</b>	<b>443.15</b>	<b>1,104.43</b>	<b>250.50</b>	<b>1,798.08</b>

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

Specific valuation techniques used to value financial instruments include:

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

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

**Goldiam Jewellery Limited**

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

**Note 36 -Financial Risk Management:**

**i) Financial Instruments by Cartagory :**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial assets :</b>						
<b>Investments</b>						
mutual funds Shares and Bond	2,779.67	-	2,670.70	-	1,798.08	-
<b>Loans</b>						
Trade receivables	-	11,775.11	-	10,545.29	-	8,245.97
Cash and cash equivalents	-	1,187.42	-	-	-	-
<b>Total</b>	<b>2,779.67</b>	<b>12,962.53</b>	<b>2,670.70</b>	<b>10,545.29</b>	<b>1,798.08</b>	<b>8,245.97</b>
<b>Financial Liabilities</b>						
Borrowings	-	954.79	-	537.10	-	1,036.15
Trade payables	-	4,448.89	-	4,631.04	-	3,391.13
Other financial liabilities	-	92.78	-	60.75	-	56.22
<b>Total</b>	<b>-</b>	<b>5,496.46</b>	<b>-</b>	<b>5,228.88</b>	<b>-</b>	<b>4,483.50</b>

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.

**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 flowforecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (Rs.)	Cash flow forecasting sensitivity analysis	Forward contracts
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Mix of borrowings taken at fixed and floating rates
Market risk - gold prices	Payables linked to gold prices	Sensitivity analysis	The gold is purchase at the prevailing price from nominated agencies.
Market risk - security price	Investments in equity securities	Sensitivity analysis	Portfolio diversification



## 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:

Particulars	(Amounts are in lakhs unless stated otherwise)		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Not due	10,635.96	9,813.36	6,690.02
0-30 days past due	238.34	556.24	605.75
31-60 days past due	182.82	18.73	492.66
61-90 days past due	159.03	32.69	177.66
More than *rounded off to nil	558.96	124.27	279.89
	<b>11,775.11</b>	<b>10,545.29</b>	<b>8,245.97</b>

## 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:

	(Amounts are in lakhs unless stated otherwise)		
	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
Expiring within one year (bank overdraft and other facilities)	954.79	537.10	1,036.15
Expiring beyond one year (bank loan)	-	-	-
<b>Total</b>	<b>954.79</b>	<b>537.10</b>	<b>1,036.15</b>

### 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	Payable on demand	Less than 1 year	Less than 1-2 year	Less than 2-3 year	More than 3 year	Total
Borrowings	-	954.79	-	-	-	954.79
Trade payable	-	3,596.35	800.58	1.55	50.42	4,448.89
Other financial liabilities	58.84	33.45	-	-	-	92.29
<b>Total</b>						
31-Mar-17	Payable on demand	Less than 1 year	Less than 1-2 year	Less than 2-3 year	More than 3 year	Total
Borrowings	-	537.10	-	-	-	537.10
Trade payable	-	4,122.52	458.11	1.91	48.50	4,631.05
Other financial liabilities	23.20	31.65	-	-	-	54.85
<b>Total</b>						
01-Apr-16	Payable on demand	Less than 1 year	Less than 1-2 year	Less than 2-3 year	More than 3 year	Total
Borrowings	-	1,036.15	-	-	-	1,036.15
Trade payable	-	2,547.90	794.72	0.61	47.89	3,391.13
Other financial liabilities	23.20	31.76	-	-	-	54.96
<b>Total</b>						

### 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 +/- 2% (previous year +/-3%) at the reporting date, keeping all other variables constant, there would have been an impact on profits of INR 476.94 Lakhs (previous year INR 644.85 Lakhs).

### D) 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:

(Amounts are in lakhs unless stated otherwise)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
Variable rate borrowing	674.70	-	-
Fixed rate borrowing	280.08	537.10	1,036.15
<b>Total Borrowings</b>	<b>954.79</b>	<b>537.10</b>	<b>1,036.15</b>

#### Sensitivity

The sensitivity to profit or loss in case of a reasonably possible change in interest rates of +/- 50 basis points (previous year: +/- 50 basis points), keeping all other variables constant, would have resulted in an impact on profits by INR 6.75 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 profits by INR 277.97 Lakhs (previous year INR 267.07 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 37 - 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.

(Amounts are in lakhs unless stated otherwise)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Net debts	1,187.42	577.39	1,687.59
Total equity	11,898.30	10,370.67	8,804.59
Gearing Ratio	9.98%	5.57%	19.17%

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dividends			
(i) Equity shares	Nil	Nil	Nil
(ii) Dividends not recognised at the end of the reporting period	Nil	Nil	Nil



## **Goldiam Jewellery Limited**

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

#### **Note 38 -First Time adoption of IND AS:**

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.

##### **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:

## **Goldiam Jewellery Limited**

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

- 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.

#### **A 2.3 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.

#### **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.



## **Goldiam Jewellery Limited**

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

#### **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.

#### **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.



**Goldiam Jewellery Limited**

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

**B. Recociliation between Periouvs 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 reconcilitions from pervious GAAP & IND AS

**B.1 Effect of Ind AS adoption on the standalone balance sheet as at 31st March 2017**

(Amounts are in lakhs unless stated otherwise)

Particulars	As at 31st March, 2017			As at 01st April 2016		
	Previous GAAP*	Adjustments	Amount under Ind As	Previous GAAP*	Adjustments	Amount under Ind As
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	70.74	0.00	70.74	72.85	(0.02)	72.83
Capital work-in-progress	1.00	-	1.00	1.00	-	1.00
Other intangible assets	49.56	(0.00)	49.56	36.06	(0.00)	36.06
i. Investments	1,002.76	39.62	1,042.38	1,299.01	(404.76)	894.25
ii. Loans	4.24	22.44	26.68	3.68	5.57	9.25
Deferred tax assets	7.95	-	7.94	10.93	0.00	10.93
<b>Total non-current assets</b>	<b>1,136.25</b>	<b>62.06</b>	<b>1,198.30</b>	<b>1,423.53</b>	<b>(399.21)</b>	<b>1,024.32</b>
<b>Current assets</b>						
Inventories	1,399.56	0.00	1,399.56	925.69	0.00	925.69
Financial assets	-	-	-	-	-	-
i. Investments	1,308.82	319.50	1,628.32	317.43	586.40	903.83
ii. Trade receivables	10,545.29	0.00	10,545.29	8,245.97	(0.00)	8,245.97
iii. Cash and cash equivalents	581.89	(4.50)	577.39	1,691.09	(3.50)	1,687.59
iv. Bank balances other than (iii) above	-	4.50	4.50	-	3.50	3.50
v. Loans	360.24	(281.43)	78.81	679.97	(172.44)	507.53
Other current assets	-	259.06	259.06	-	166.88	166.88
<b>Total current assets</b>	<b>14,195.80</b>	<b>297.14</b>	<b>14,492.94</b>	<b>11,860.15</b>	<b>580.84</b>	<b>12,440.99</b>
<b>Total assets</b>	<b>15,332.05</b>	<b>359.20</b>	<b>15,691.23</b>	<b>13,283.68</b>	<b>181.63</b>	<b>13,465.31</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	100.00	-	100.00	100.00	-	100.00
Other equity	9,911.55	359.12	10,270.67	8,522.79	181.80	8,704.59
<b>Equity attributable to owners of Goldiam Jewellery Limited</b>	<b>10,011.55</b>	<b>359.12</b>	<b>10,370.67</b>	<b>8,622.79</b>	<b>181.80</b>	<b>8,804.59</b>
Non-controlling interests	-	-	-	-	-	-
<b>Total equity</b>	<b>10,011.55</b>	<b>359.12</b>	<b>10,370.67</b>	<b>8,622.79</b>	<b>181.80</b>	<b>8,804.59</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Other non-current liabilities	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>						
Financial liabilities						
i. Borrowings	537.10	(0.00)	537.10	1,036.15	(0.00)	1,036.15
ii. Trade payables	4,631.04	(0.00)	4,631.04	3,391.13	(0.00)	3,391.13
iii. Other financial liabilities	60.75	(0.00)	60.75	56.22	0.00	56.22
Provisions	91.62	(4.26)	87.36	177.39	(3.78)	173.61
Employee benefit obligations	-	4.31	4.31	-	3.61	3.61
<b>Total current liabilities</b>	<b>5,320.51</b>	<b>0.04</b>	<b>5,320.55</b>	<b>4,660.89</b>	<b>(0.18)</b>	<b>4,660.71</b>
<b>Total liabilities</b>	<b>5,320.51</b>	<b>0.04</b>	<b>5,320.55</b>	<b>4,660.89</b>	<b>(0.18)</b>	<b>4,660.71</b>
<b>Total equity and liabilities</b>	<b>15,332.06</b>	<b>359.16</b>	<b>15,691.22</b>	<b>13,283.68</b>	<b>181.62</b>	<b>13,465.30</b>

**Goldiam Jewellery Limited**

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

**B. Recocilation between Periouvs GAAP & IND AS**

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

Particulars	As at 31st March,2017		
	Previous GAAP*	Adjustments	Amount under Ind As
<b>Continuing operations</b>			
Revenue from operations	18,406.15	0.00	18,406.15
Other income	512.22	38.28	550.50
Other gains/(losses)			
<b>Total income</b>	<b>18,918.37</b>	<b>38.28</b>	<b>18,956.65</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	15,199.34	(0.00)	15,199.34
Purchase of Traded goods	-	-	-
(Increase)/decrease in inventories of finished goods, w.i.p. and traded goods	(112.40)	0.00	(112.40)
Employee benefit expenses	369.77	(0.39)	369.38
Finance Cost	40.24	(0.00)	40.24
Depreciation and amortisation expense	37.11	-	37.11
Other expenses	1,466.26	95.62	1,561.88
<b>Total expenses</b>	<b>17,000.32</b>	<b>95.23</b>	<b>17,095.55</b>
<b>Profit before exceptional items and tax</b>	<b>1,918.05</b>	<b>(56.95)</b>	<b>1,861.10</b>
Exceptional items	-	-	-
<b>Profit before tax</b>	<b>1,918.05</b>	<b>(56.95)</b>	<b>1,861.10</b>
Income tax expense			
- Current tax	526.31	(0.00)	526.31
- Deferred tax	2.99	(0.00)	2.99
<b>Total tax expense/(credit)</b>	<b>529.30</b>	<b>(0.00)</b>	<b>529.30</b>
<b>Profit for the Year</b>	<b>1,388.75</b>	<b>(56.95)</b>	<b>1,331.80</b>
<b>Other Comprehensive income</b>			
a) Items That Will Not Be Reclassified To Profit Or Loss	-	234.83	234.83
b) Income Tax Relating To Items That Will Not Be Reclassified To Profit Of Loss	-	(0.55)	(0.55)
Other Comprehensive income for the year, net of tax		234.28	234.28
<b>Total comprehensive income for the year</b>	<b>1,388.75</b>	<b>177.33</b>	<b>1,566.08</b>

**Goldiam Jewellery Limited**

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

**39 Corporate Social Responsibility**

The Company has incurred ₹ 34.55 lakhs (previous year ₹ 28.50 Lakhs) towards Social Responsibility activities. It is included in in the Statement of Profit and Loss. Further, no amount has been spent on construction / acquisition of an asset of the Company and the entire amount has been spent in cash. The amount required to be spent under Section 135 of the Companies Act, 2013 for the year 2018 is ₹ 42.42 lakhs i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

**40** Reporting under sub clause 32 of clause 49 of listing agreement issued by Securities and Exchange Board of India (SEBI), is not applicable to the company, as there is no loan given to subsidiary or Associates as defined under section 186 of the Companies Act, 2013 and no loans and advances are given which is outstanding for a period of more than seven years.

**41** There was a search operation under section 132 of The Income Tax Act, 1961 on 17th March, 2016 and the Income Tax Department has reopened the six assessment years starting from A.Y. 2010-11 to A.Y. 2015-16, the said assessments are completed during the financial year under review. The department has raised demand of INR Nil against the reopened assessments.

**42** 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 realization 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.

**43 Post reporting date events**

There are no adjusting or significant non-adjusting events have been occurred between 31 March 2018 and the date of authorization of the company's standalone financial statement.

**44 Authorization of Financial Statements**

The standalone financial statement for the year ended 31 March 2018 (including comparatives) were approved by the Board of Directors on 18 May 2018

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

Notes 1 to 45 form an integral part of these financial statements.

**For J.D. Zatakia & Co.**

**Jeetendra Zatakia**

Mem No. : 17669

Chartered Accountants

ICAI Firm Registration No. 111777W

**Place : Mumbai**

**Date : 18<sup>th</sup> May, 2018**

**For and on behalf of the Board Directors**

**Goldiam Jewellery Limited**

**Kunal H. Vora**

Director

DIN-01315269

**Rashesh M. Bhansali**

Executive Chairman

DIN-00057931