PULINDRA PATEL & CO.
CHARTERED ACCOUNTANTS
307, Gold Mohur Co. Op. Society,
174, Princess Street, Mumbai-2
Tel No. : 22056233
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Pulindra M. Patel
B.Com. F.C.A, Inter C.S.

Independent Auditor's Report

To the Members of DIAGOLD DESIGNS LIMITED

Report on the Financial Statements

Opinion

We have audited the standalone financial statements of DIAGOLD DESIGNS LIMITED ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, (including Other Comprehensive Income), statement of changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the 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, 2020, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Emphasis of matter

We draw your attention to Note 37 to the standalone financial statements which the extend to which the COVID-19 pandemic will impact the company will depend on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance, (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified in the companies (Indian Accounting Standard) rules 2015 (as amended) under section 133 of the Companies Act, 2013. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The company has closed its manufacturing activities and has continued the trading activity with respect to cut and polished diamonds, subject to that, in preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

(i) Identify and assess the risks of material misstatement of the interim consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(ii) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

(iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. The Company has stopped the Manufacturing activities and decided to If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(v) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the interim consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. In accordance with the requirements of SA 701, the auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

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

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss, (including other comprehensive income) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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 the explanations given to us:

i) The company has disclosed the impact of pending litigations as at 31st March, 2020 on its financial position in its Ind AS financial position in its standalone financial statements – refer Note 35 to the Ind AS financial statements.

ii) The Company did not have any long term contracts including derivate contracts as at 31st March, 2020.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection fund by the company during the year ended 31st March, 2020.

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

Place: Mumbai
Date: 11st June, 2020

(**Pulindra Patel)**
Proprietor
Membership No. 048991
UDIN : 20048991AAAAEA9307

Pulindra M. Patel
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Annexure (A) to the independent Auditor's Report
[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of DIAGOLD DESIGNS LIMITED on the standalone financial statements for the year ended 31st March, 2020]

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) All fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) As per the information and explanations given to us, the immovable properties owned by the company are held in the name of the company. In respect of immovable property taken on lease and disclosed as fixed assets in standalone financial statements, the lease agreement is in the name of the Company.

2. The Inventories have been physically verified during the year by the management. In our opinion, frequency of verification of inventory is reasonable. There are no material discrepancies noticed by the management.

3. According to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of clause 3(iii) (a), (b,) and (c) of the Order are not applicable to the Company and hence not commented upon.

4. As per the information and explanations provided to us, there is no loans, investments, guarantees and securities given by the company, except guarantee provided to wholly owned subsidiary to which provisions of section 185 of the Companies Act, 2013 do not apply.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under.

6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been so made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. a) According to the information and explanations given to us and on the basis of the examination of the books of account, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Value Added Tax Customs Duty, Excise Duty, and other statutory dues applicable to it with the appropriate authorities.

   b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Customs Duty, Excise Duty and other undisputed statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.

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

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

Income Tax	Nil	Assessment year 2011-12	Commissioner of Income Tax Appeals
Income Tax	Nil	Assessment year 2012-13	Income Tax Appellant Tribunal
Income Tax	112.94	Assessment year 2013-14	Commissioner of Income Tax Appeals
Income Tax	Nil	Assessment year 2014-15	Commissioner of Income Tax Appeals

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

9. The Company has not raised money by way of initial public offer including debt instruments during the year and did not have any term loans outstanding during the year.

10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. As per the information and explanations given to us the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.

12. As per the information and explanations given to us the company is not a Nidhi Company.

13. As per the information and explanations given to us the company all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details have been disclosed in the Standalone Financial Statements, etc., as required by the applicable accounting standards.

14. As per the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year review.

15. As per the information and explanations given to us, the company has not entered into any non- cash transactions with the directors or persons connected with him.

16. As per the information and explanations given to us, the company is not required to get it registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Mumbai
Date : 11st June, 2020

(**Pulindra Patel)**
Proprietor
Membership No. 048991
UDIN : 20048991AAAAEA9307

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ANNEXURE (B)

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

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

We have audited the internal financial controls over financial reporting of Diagold Designs Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

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

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting:

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

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

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles,

and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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 31,2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Mumbai
Date: 11st June, 2020

PULINDRA M. PATEL
Proprietor
Membership No. 48991
UDIN : 20048991AAAAEA9307

DIAGOLD DESIGNS LIMITED

Standalone balance sheet as at March 31, 2020

(Amounts are in lakhs unless stated otherwise)

Particulars	**Note**	**As at March 31, 2020**	**As at March 31, 2019**
ASSETS			
Non-current assets			
Property, plant and equipment	1	562.84	575.17
Other intangible assets	2	0.33	0.62
Investments in Joint venture	3	1.01	0.06
Financial assets			
i. Investments		-	-
ii. Loans	4	94.24	51.48
iii. Other financial assets	5	2.53	3.54
Deferred tax assets	6	9.50	12.15
Total non-current assets		**670.44**	**643.01**
Current assets			
Inventories	7	233.72	472.10
Financial assets			
i. Investments	8	34.98	468.77
ii. Trade receivables	9	18.11	744.75
iii. Cash and cash equivalents	10	36.56	141.97
iv. Bank balances other than (iii) above		-	-
v. Loans	11	3.49	3.57
vi. Other financial assets		-	-
Other current assets	12	105.01	205.38
		431.86	**2,036.53**
Current Tax Assets		-	-
Total current assets		**431.86**	**2,036.53**
Total assets		**1,102.31**	**2,679.54**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	328.00	399.99
Other equity	14	769.20	1,329.16
Total equity		**1,097.20**	**1,729.15**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	-	-	-
Total non-current liabilities		**-**	**-**
Current liabilities			
Financial liabilities			
i. Borrowings	15	-	876.10
ii. Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1.30	23.25
iii. Other financial liabilities		-	-
Provisions	17	-	4.92
Other current liabilities	18	3.80	46.12
		5.10	950.39
Liabilities directly associated with assets classified as held for sale		-	-
Total current liabilities		**5.10**	**950.39**
Total liabilities		**5.10**	**950.39**
Total equity and liabilities		**1,102.31**	**2,679.54**

This is the balance sheet referred to in our report of even date
Notes 1 to 43 form an integral part of these financial statements.

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

Pulindra Patel
Proprietor
Mem No. : 048991

Place: Mumbai
Date: 11th June, 2020

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

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

Place: Mumbai
Date: 11th June 2020

DIAGOLD DESIGNS LIMITED

Standalone statement of profit and loss for the year ended March 31, 2020

(Amounts are in lakhs unless stated otherwise)

Particulars	**Note**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Continuing operations			
Revenue from operations	19	214.41	4,619.05
Other income	20	21.44	55.28
Other gains/(losses)		-	-
Total income		**235.85**	**4,674.33**
Expenses			
Cost of raw materials and components consumed	21	292.47	3,879.05
Purchase of Traded goods	22	99.70	-
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	23	-	313.88
Employee benefit expenses	24	2.50	180.67
Finance Cost	25	40.50	93.54
Depreciation and amortisation expense	1	9.94	18.77
Other expenses	26	131.70	848.39
Total expenses		**576.81**	**5,334.29**
Profit before exceptional items and tax		**(340.96)**	(659.96)
Exceptional items			
Profit before tax		**(340.96)**	**(659.96)**
Income tax expense			
- Current tax		-	-
- Deferred tax	27	2.65	(11.98)
			-
Total tax expense/(credit)		**2.65**	(11.98)
Profit from continuing operations		**(343.61)**	**(647.98)**
Discontinued operations			
Profit from discontinued operations before tax		-	-
Tax expense of discontinued operations		-	-
Profit from discontinued operations		**-**	-
Profit for the year		**(343.61)**	**(647.98)**

Standalone statement of other comprehensive income for the year ended March 31, 2020

Particulars	**Note**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Items that will be reclassified to profit or loss		-	-
Tax relating to above			
		-	-
Other Comprehensive Income:			
a) Items That Will Not Be Reclassified To Profit Or Loss		(3.62)	3.77
b) Income Tax Relating To Items That Will Not Be Reclassified To Profit Of Loss		-	0.61
c) Items That Will Be Reclassifies To Profit Or Loss		-	-
d) Income Tax Relating To Items That Will Be Reclassified To Profit Or Loss		-	-
Tax relating to above			
		(3.62)	4.38
Other comprehensive income / (Losses)		**(3.62)**	**4.38**
Total other comprehensive income / (Losses) for the year		**(347.23)**	**(643.60)**
Earnings per share			
Basic		(9.73)	(16.20)
Diluted		(9.73)	(16.20)

Notes 1 to 43 form an integral part of these financial statements.
The above statement of profit and loss should be read in conjunction with the accompanying notes.
This is the Statement of profit and loss referred to in our report of even date

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

Pulindra Patel
Proprietor
Mem No. : 048991

Place: Mumbai
Date: 11th June, 2020

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

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

Place: Mumbai
Date: 11th June, 2020

DIAGOLD DESIGNS LIMITED
Cash flow statement for the year ended 31st March, 2020

(Amounts are in lakhs unless stated otherwise)

Particulars	As at March 31, 2020		As at March 31, 2019
A Cash flow from operating activities :			
Profit before tax		**(340.96)**	(659.96)
Adjustments for:			
Depreciation and amortization for the year	**9.94**		18.77
Net unrealised foreign exchange (gain)/ loss	**2.14**		14.64
Net (profit)/loss on disposal of property, plant and equipment	**(4.31)**		(3.12)
(income)/loss from investments measured at FVTPL	**(3.91)**		-
Actuarial (gain)/loss forming part of OCI	**-**		0.61
Share of Loss/ (Profit) from LLP	**-**		(2.32)
Interest Income	**(2.00)**		(5.35)
Finance cost	**40.50**		93.54
		42.36	116.78
Operating profit before working capital changes		**(298.60)**	(543.18)
Adjustments for:			
Decrease/Increase in inventories	**238.38**		1,383.73
Decrease/(increase) in non-current financial assets	**1.01**		1.69
Decrease/(increase) in current financial assets	**(0.87)**		25.76
Decrease/(increase) in other current assets	**89.11**		30.46
Increase in trade receivables	**724.55**		2,068.28
Increase in trade payables	**(22.00)**		(1,698.93)
Increase in current financial liabilities	**(42.31)**		14.06
Increase in other current liabilities	**(4.92)**		(15.82)
		982.95	1,809.22
Cash generated from operating activities		**684.35**	1,266.04
Income Tax Paid (net)	**(42.76)**		(10.42)
		(42.76)	(10.42)
Net cash generated from operating activities		**641.59**	1,255.62
B Cash flow from investing activities:			
Purchase of property, plant and equipment	**-**		(3.45)
Proceeds from disposal of property, plant and equipment	**18.25**		11.07
Purchase of Investments	**(210.00)**		(465.00)
Proceeds from redemption of investments, net	**644.08**		-
Introduction / Withdrawal of Capital from LLP	**-**		2.76
Buyback of equity shares	**(235.49)**		-
Tax on Buyback of euity shares	**(48.98)**		-
Capital Expenses for Buyback of euity shares	**(0.25)**		
Interest received	**2.00**		5.35
Net cash used in investing activities		**169.61**	(449.27)
C Cash flow from financing activities:			
(Repayment)/proceeds of short term borrowings, net	**(876.10)**		(787.03)
Interest paid	**(40.50)**		(93.54)
Net cash generated from financing activities		**(916.60)**	(880.57)
Net increase in cash and cash equivalents (A+B+C)		**(105.41)**	(74.22)
Cash and cash equivalents at the beginning of the year		**141.97**	216.19
Cash and cash equivalents at the end of the year		**36.56**	141.97

Note :

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

Notes 1 to 43 form an integral part of these financial statements.
As per attached report of even date.

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

Pulindra Patel
Proprietor
Mem No. : 048991

Place : Mumbai
Date: 11th June 2020

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

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

Place: Mumbai
Date: 11th June 2020

DIAGOLD DESIGNS LIMITED
Financial statements as at and for the year ended March 31, 2020

Statement Of Changes In Equity

A. EQUITY SHARE CAPITAL :

(Amounts are in lakhs unless stated otherwise)

Particulars	No. of shares	Amount
Issued, subscribed and fully paid-up shares		
Equity share of Rs. 10 each		
Balance as at 1 April 2018	3999929	399.99
Changes in Equity Share Capital during the year	-	-
Balance as at 31 March 2019	3999929	399.99
Changes in Equity Share Capital during the year	-719930	(71.99)
Balance as at 31 March 2020	3279999	328.00

B. OTHER EQUITY

(Amounts are in lakhs unless stated otherwise)

Particulars	Reserves and surplus					
	Capital Redemption Reserve	Security Premium	Revaluation Reserves	General Reserves	Retained Earning	Total
Balance as at 1 April 2018		462.71	420.87	327.41	761.77	1,972.76
Profit for the year					(647.98)	(647.98)
Other comprehensive income					4.38	4.38
Total comprehensive income	**-**	**-**	**-**	**-**	**(643.60)**	**(643.60)**
Dividends distributed to equity shareholders					-	-
Corporate dividend tax on dividend paid to Equity Shareholders					-	-
Others					-	-
Balance as at 31 March 2019		**462.71**	**420.87**	**327.41**	**118.17**	**1,329.16**
Profit for the year					(343.61)	(343.61)
Other comprehensive income					(3.62)	(3.62)
Buy-back of equity Shares (Refer Note 13)	71.99	(235.49)				(163.50)
Buy Back Expenses					(0.25)	(0.25)
Total comprehensive income	**71.99**	**227.23**	**420.87**	**327.41**	**(229.31)**	**818.18**
Dividends distributed to equity shareholders					-	-
Corporate dividend tax on dividend paid to Equity Shareholders					-	-
Tax on buyback of shares					(48.98)	(48.98)
					(48.98)	**(48.98)**
Balance as at 31 March 2020	**71.99**	**227.23**	**420.87**	**327.41**	**(160.13)**	**769.20**

Notes 1 to 43 form an integral part of these financial statements.

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

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

Pulindra Patel
Proprietor
Mem No. : 048991

Place: Mumbai
Date: 11th June 2020

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

Nirav M Mehta
Managing Director
DIN- 0017819

Rashesh M Bhansali
Director
DIN- 00057931

Place: Mumbai
Date: 11th June 2020

Diagold Designs Limited
Notes to Financial Statement as 31st March, 2020

Company Information

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

A. Basis of Preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section133 of the CompaniesAct,2013 read with Rule 3 of the Companies(Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules,2016.

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

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" In the relevant notes in these financial statements.
The financial statements of the Company for the year ended 31st March, 2020 were approved for issue in accordance with the resolution of the Board of Directors on 11th June, 2020.

(ii) Historical Cost Convention

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

B KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Measurement of defined benefit obligations - Note No. 23
(b) Measurement and likelihood of occurrence of provisions and contingencies - Note No. 35
(c) Recognition of deferred tax assets - Note No. 27

C SIGNIFICANT ACCOUNTING POLICIES

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

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

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on written-down value, computed on the basis of useful lives (as set out below) prescribed in Schedule II the Act:
The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

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

De-recognition

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

(b) Impairment of non-financial assets

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

(c) Financial instruments

Initial recognition and measurement

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

Subsequent measurement

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

• The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

• Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the

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

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

De-recognition of financial assets

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

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

De-recognition of financial liabilities

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

(d) Impairment of financial assets

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

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

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

(e) Inventories

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

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

Finished goods: Lower of cost or net realisable value. Cost is determined on FIFO basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads based on the normal capacity for manufactured goods.
Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs

(f) Income taxes

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

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

Deferred income-tax is calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company’s forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

(g) Cash and cash equivalents

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

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

Defined contribution plans

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

Defined benefit plans

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

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

Other long-term employee benefits

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

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

(i) Operating expenses

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

(j) Borrowing costs

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

(k) Fair value measurement

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

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

• In the principal market for the asset or liability, or

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

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

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

(l) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

• Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

• Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

(m) Earnings per share :

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

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

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

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

Significant management judgments and estimates

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

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

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

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

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

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

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

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

(o) Revenue recognition

Interest and dividend :

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

(p) Revenue from contract with customers

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

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

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

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

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

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

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

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

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

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

<u>Interest Income :</u>
Interest income is recognised on an accrual basis using the effective interest method.

<u>Dividend</u>
Dividends are recognised at the time the right to receive the payment is established.

(q) Recent accounting pronouncements

Amendments to Ind As 116, 'Leases'.

"On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April,2019.

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

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

DIAGOLD DESIGNS LIMITED
Financial statements as at and for the year ended March 31, 2020

Note 1 - Property, plant and equipment

(Amounts are in lakhs unless stated otherwise)

Particulars	Land : Lease-hold	Buildings	Furniture fixture	Computer	Electrical Installation	Plant and machinery	Office equipment's	Vehicles	Total
Gross block									
As at April 1, 2018	506.47	**277.79**	**153.50**	**25.35**	**43.37**	**182.58**	**43.29**	**29.43**	**1,261.77**
Additions	-	-	-	-	-	-	-	3.45	3.45
Deduction	-	-	-	6.23	-	54.44	7.19	2.70	70.55
As at March 31, 2019	**506.47**	**277.79**	**153.50**	**19.12**	**43.37**	**128.14**	**36.11**	**30.18**	**1,194.67**
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Deduction	**-**	**-**	**5.88**	**-**	**-**	**-**	**-**	**-**	**5.88**
As at March 31, 2020	**506.47**	**277.79**	**147.62**	**19.12**	**43.37**	**128.14**	**36.11**	**30.18**	**1,188.79**

Particulars	Buildings	Office Premises	Furniture fixture	Computer	Electrical Installation	Plant and machinery	Office equipment's	Vehicles	Total
Accumulated depreciation									
As at April 1, 2018	**-**	**226.54**	**138.02**	**24.21**	**41.52**	**160.62**	**38.13**	**19.86**	**648.92**
Depreciation charge during the year	-	4.71	3.57	0.56	0.11	2.77	2.22	4.04	17.99
Deduction	-	-	-	5.68	-	35.26	4.25	2.22	47.40
As at March 31, 2019	**-**	**231.25**	**141.59**	**19.09**	**41.63**	**128.14**	**36.11**	**21.69**	**619.50**
Depreciation charge during the year	**-**	**4.28**	**2.64**	**-**	**0.08**	**-**	**-**	**2.65**	**9.65**
Deduction	**-**	**-**	**3.19**	**-**	**-**	**-**	**-**	**-**	**3.19**
As at March 31, 2020	**-**	**235.53**	**141.04**	**19.09**	**41.71**	**128.14**	**36.11**	**24.34**	**625.96**
Net carrying amount as at March 31, 2020	**506.47**	**42.26**	**6.59**	**0.03**	**1.66**	**-**	**0.00**	**5.84**	**562.84**
Net carrying amount as at March 31, 2019	506.47	46.54	11.91	0.03	1.74	-	0.00	8.49	575.17
Net carrying amount as at April 1, 2018	506.47	51.25	15.48	1.13	1.84	21.96	5.16	9.56	612.85

DIAGOLD DESIGNS LIMITED
Financial statements as at and for the year ended March 31, 2020

Note 2 - Intangible assets *(Amounts are in lakhs unless stated otherwise)*

Particulars	Computer software	Total
Gross block		
As at April 1, 2018	13.00	**13.00**
Additions	-	**-**
Deduction	-	**-**
As at March 31, 2019	**13.00**	**13.00**
Additions	-	**-**
Deduction	-	**-**
As at March 31, 2020	**13.00**	**13.00**

Particulars	Computer software	Total
Accumulated amortisation and impairment		
As at April 1, 2018	11.59	**11.59**
Amortisation charge during the year	0.79	**0.79**
Impairment loss during the year	-	**-**
As at March 31, 2019	**12.38**	**12.38**
Amortisation charge during the year	0.29	**0.29**
Impairment loss during the year	-	**-**
As at March 31, 2020	**12.66**	**12.66**
Net carrying amount as at March 31, 2020	0.33	0.33
Net carrying amount as at March 31, 2019	0.62	0.62
Net carrying amount as at April 1, 2018	1.41	1.41

DIAGOLD DESIGNS LIMITED
Financial statements as at and for the year ended March 31, 2020

Note 3 - Investments in Joint venture

Particulars	No. Of Shares / Holding %	As at March 31, 2020	As at March 31, 2019
Investment in Partnership / LLP and Joint Venture :			
Investment in Partnership / LLP			
1) Temple Designs LLP [Partnership Firm]	51%	0.95	-
Investment in Joint Venture :			
Unquoted			
In Equity Instruments at cost, fully paid-up			
2) Goldiam HK Ltd.	975	0.06	0.06
(No. of Shares 975 Face Value (Face Value of HK$ 1.00 each)			
(Previous year HK$1 /-).			-
Total investment		1.01	0.06
Aggregate amount of quoted investments			
Aggregate market value of listed and quoted investments			
Aggregate amount of unquoted investments		1.01	0.06

Note 4 - Long term loans and advances

Particulars	As at March 31, 2020	As at March 31, 2019
Loans and advances, unsecured, considered good		
Advance income-tax(net of provision for taxation)	94.24	51.48
Total	94.24	51.48

Note 5 - Other non-current financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposit	2.53	3.54
Total	**2.53**	**3.54**

Note 6 - Deferred tax liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities :		
i) Relating to Depreciation, Amortization and Impairment		
Less : Deferred Tax Assets :	-	-
i) relating to Employee Benefits & Provision thereof	0.09	0.11
ii) Financial assets at fair value through profit or loss	0.01	0.01
iii) relating to Depreciation, amortization and Impairment	9.40	12.03
Total	**9.50**	**12.15**

Note 7 - Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	233.72	466.85
Stock of Consumable Stores & Spare parts (at cost)	-	5.25
Total	**233.72**	**472.10**

Note 8 - Current investments

Particulars	No. of Units	As at March 31, 2020	As at March 31, 2019
In Units of Mutual Fund (Equity Fund) - Quoted, fully paid up			
1) Principal Low Duration Fund-Regular Plan Growth	15371.433	-	468.77
2) ICICI Purd. Eq. Arbitrage Fund (Inf109K01Ef0)	255795.913	34.98	-
Total		**34.98**	**468.77**
Aggregate amount of quoted investments		34.98	468.77
Aggregate market value of listed and quoted investments		-	-
Aggregate amount of unquoted investments			

Note 9 - Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	-	2.34
Doubtful		
	-	2.34
Less : Provision for doubtful receivables		
	-	2.34
Other receivables		
Unsecured, considered good	18.11	742.41
Trade Receivables which have significant increase in Credit Risk		
Trade Receivables - credit impaired		
Total	18.11	744.75

Note 10 - Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	1.01	0.05
Bank balances		
- Current Account	34.81	67.10
- EEFC Account	-	2.57
- Fixed Deposit with Banks	0.75	72.24
Total	**36.56**	**141.97**

Note 11 - Short term loans and advances

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	3.49	3.57
Total	**3.49**	**3.57**

Note 12 - Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with govt authorities	99.92	104.56
Loans to employees	0.10	0.15
Assets for sales	3.18	14.44
Others	1.80	86.23
Total	**105.01**	**205.38**

Note 13 - Share capital and other equity

Share capital

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Authorized shares		
4000000 Equity Shares of ₹ 10/- each		
3999929 Equity Shares of ₹ 10/- each	400.00	400.00
(Pre. Yr. 3999929 Equity Shares of ₹ 10/- each)		
Issued, subscribed and fully paid-up shares		
3279999 Equity Shares of ₹ 10/- each		
(Pre. Yr. 3999929 Equity Shares of ₹ 10/- each)	328.00	399.99
	328.00	**399.99**

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

Equity Shares	**As at March 31, 2020**		**As at March 31, 2019**	
	Nos.	**₹ in Lakhs**	**Nos.**	**₹ in Lakhs**
At the beginning of the period	**3999929**	399.99	3999929	399.99
Issued during the period - Convertible warrants		-		
Buy Back of Shares	719930	71.99		
Outstanding at the end of the period	**3279999**	**328.00**	**39,99,929**	**399.99**

(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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting..

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	**As at March 31, 2020**		**As at March 31, 2019**	
	Nos. of Shares	**% holding in the class**	**Nos. of Shares**	**% holding in the class**
Equity shares of Rs. 10/- each fully paid				
Goldiam International Ltd.	*1672548*	*50.99%*	*2039658*	*50.99%*
Milan R. Mehta	*4,74,600*	*14.47%*	*474600*	*11.87%*
Nehal Milan Mehta	*6,15,200*	*18.76%*	*615200*	*15.38%*
Nirav Milan Mehta	*1,91,001*	*5.82%*	*543765*	*13.59%*
Trupti Milan Mehta	*2,55,000*	*7.77%*	*255000*	*6.38%*

As per the records of the Company

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

e) Proposed Dividend on Equity Shares

The board proposed dividend on equity shares after the balance sheet date :

Proposed dividend on equity shares for the year ended 31 March 2020 : ₹ Nil (31 March 2019: ₹ Nil per share) DDT on proposed dividend.

Note 14 - Other Equity

	As at March 31, 2020	As at March 31, 2019
Capital Redemption Reserve		
(a) As per Balance Sheet	-	-
Add : Transfer from Equity Share Capital	**71.99**	-
	71.99	**-**
Security Premium		
(a) As per Balance Sheet	462.71	462.71
Less : Utilisation for Buy Back of Equity Shares	(163.50)	-
Less : Transfer to Capital Redemption Reserve	(71.99)	
	227.23	**462.71**
Revaluation Reserves :		
(a) As per Balance Sheet	420.87	420.87
		-
	420.87	**420.87**
General reserve		
(a) As per Balance Sheet	327.41	327.41
	327.41	**327.41**
Surplus in the statement of profit and loss		
Balance as per the last financial statements	118.17	761.77
Profit for the year	(347.23)	(643.60)
Tax on buyback of shares	48.98	-
Buy Back Expenses	0.25	
Closing Balance	**(278.29)**	**118.17**
TOTAL	**769.20**	**1,329.16**

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

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

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

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

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Note 15 - Short term borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Packing Credit in with PNB	-	876.10
Total	**-**	**876.10**

Note 16 - Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	1.30	23.25
Total	**1.30**	**23.25**

Note 17 - Short term provisions

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Provision for employee benefits:	-	0.43
(i) Provision for gratuity (net) (Refer Note 19.02)	-	4.49
Total	**-**	**4.92**

Note 18 - Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	0.25	2.14
Other payables	2.82	41.42
Advances from customers	0.74	2.56
Total	**3.80**	**46.12**

Note 19 - Revenue from operations

(Amounts are in lakhs unless stated otherwise)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Operating Income :		
(a)Manufactured goods	**1.45**	3,734.65
(b)Traded goods	**211.13**	804.13
(b) Sale of Services	**1.84**	80.27
	214.41	4,619.05
Sale of products comprises :		
(a) Manufactured goods		
Sales of gold Jewellery	**-**	3,720.09
Sales of Silver Jewellery	**-**	2.29
Sales of Other Misc. Products	**1.45**	12.27
	1.45	**3,734.65**
(b) Traded goods		
Sales of Cut & Polished Diamond	**157.26**	620.21
Sales of Colour stones	**0.00**	1.34
Sale of Gold	**53.86**	182.57
Sales of Other Misc. Products		
	211.13	**804.13**
(c) Sale of Services		
Job Work Income	**1.84**	80.27
	1.84	**80.27**

Note 20 - Other income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest received	2.00	5.35
Rent Income	2.84	34.09
Discount Received	0.01	2.16
Other Miscellaneous Income	0.35	0.30
Profit on sale of Mutual Fund	3.91	-
Dividend Received on Mutual Fund	1.08	-
Profit Sale on Fixed Assets	4.31	3.12
Share of Profit From LLP	-	2.32
Debit / Credit Written off	3.45	-
Net Gain on Foreign currency transaction & Translation	3.51	7.95
	-	-
Total	**21.44**	**55.28**

Note 21 - Cost of materials consumed

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock	466.85	1,536.62
Add: Purchases	-	
Gold	-	1,177.43
Gold Findings	-	-
Silver	-	-
Silver Findings	-	0.08
Silver Models / Masters	-	-
Gold/Silver Jewellery	59.34	83.21
Cut & Polished Diamonds	-	1,491.40
Alloy	-	19.08
Gold Mounting	-	-
Colour Stone	-	38.08
Alfa Cast Jewellery	-	-
Platinum	-	-
	526.19	4,345.90
Less : Closing Stock	233.72	466.85
Total	**292.47**	**3,879.05**

(292.47) -

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

Particulars	Amount in ₹		Percentage	
	31.03.2020	31.03.2019	**31.03.2020**	31.03.2019
Raw Materials				
(i) Imported	**-**	516.57	**0.00%**	22.53%
(ii) Indigenous	**292.47**	1,776.58	**100.00%**	77.47%

Note 22 - Purchase of Traded goods

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Purchases - C & P Diamonds	99.70	-
Total	**99.70**	**-**

Note 23 - (Increase)/Decrease in inventories

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**	**(Increase)/Decrease in lacs**
Inventories at the beginning of the year			
Finished goods	-	95.54	95.54
Work-in-progress	-	218.34	218.34
Traded goods	-	-	-
	-	**313.88**	**313.88**
Inventories at the end of the year			
Finished goods	-	-	-
Work-in-progress	-	-	-
Traded goods		-	-
	-	-	
	-	313.88	313.88

Note 24 - Employee benefit expenses

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Salaries, Wages, Bonus & Ex-gratia	2.00	124.81
Director's Remuneration	-	42.00
Contribution to Provident Fund	0.13	2.98
Contribution to E.S.I.C.	0.03	1.26
M.L.W.Fund-Employer Contribution	-	0.02
Provision / Contribution to Group Gratuity and LIC	-	-
Workmen & Staff Welfare expenses	0.35	9.60
Total	**2.50**	**180.67**

Contribution to Provident Fund is ₹. 0.13 lakhs (Previous year ₹.2.98 lakhs , ESIC and Labour Welfare Fund includes ₹.0.03 lakhs (Previous year ₹.1.28 lakhs).

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

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

Assumptions	Gratuity		Leave Encashment	
	Funded	Funded	**Non Funded**	Non Funded
	31.03.20	31.03.19	**31.03.20**	31.03.19
	₹	₹	**₹**	₹
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
Present Value of obligation as at the beginning of the yea	**4.49**	18.43	**0.43**	2.92
Current service cost	**-**	0.39	**-**	0.02
Interest cost	**-**	0.87	**-**	0.11
Actuarial (gain) / loss	**-**	(0.88)	**-**	0.28
Benefits paid	**-**	(14.32)	**-**	(2.91)
Present Value of obligation as at the end of the year	**4.49**	4.49	**0.43**	0.43
Change in Plan Assets				
Plan assets at period beginning, at fair value	**0.00**	0.00		-
Expected return on plan assets	**-**	0.58		-
Actuarial (gain) / loss	**-**	(0.01)		-
Contributions	**-**	3.69	**-**	2.91
Benefits paid	**-**	(14.32)	**-**	(2.91)
Plan assets at period end 2017, at fair value	**0.00**	12.73	**-**	-
Fair Value of Plan Assets				
Fair Value of plan assets at the beginning of the year	**0.00**	0.00		-
Actual return on plan assets	**-**	0.58	**-**	-
Contributions	**-**	3.69	**-**	-
Benefits paid	**-**	(14.32)	**-**	-
Fair Value of plan assets at the end of the year				-
Funded status	**-**	0.62	**-**	-
Excess of Actual over estimated return	**0.00**	16.52	**-**	0.33
The amounts to be recognized in the Balance Sheet and statements of Profit and Loss				
Present value of obligations as at the end of year	**4.49**	0.00	**0.43**	0.43
Fair value of plan assets as at the end of the year	**0.00**	12.73	**-**	-
Funded status				
Net asset/(liability) recognized in Balance Sheet	**4.49**	(12.73)	**0.43**	0.43
Expenses for the year				
Current service cost	**-**	0.39		
Interest cost on benefit obligation	**-**	0.87		
Expected return on plan assets	**-**	(0.58)		
Net actuarial (gain)/loss recognised in the year				
Total expenses recognised in the P & L A/c				
	-	0.69		

Remeasurement of the net defined benefit plans		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	(0.11)	(0.11)
Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	1.07	1.07
Actuarial (Gain)/ Losses due to Experience on DBO	(1.84)	(1.84)
Return on Plan Assets (Greater) / Less than Discount rate	(0.01)	(0.01)
Net impact on other comprehensive income (before tax	(0.89)	(0.89)

Note 25 - Net finance costs

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Interest on Bank Loan	40.50	93.54
Total	**40.50**	**93.54**

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Note 26 - Other expenses

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Electricity Charges	2.81	25.48
Assortment, Refining & Grooving Charges	1.39	9.35
Repairs & Maint. (Machinery)	-	3.94
Jewellery Designing Charges	0.02	2.01
Stores & Spares	5.25	21.93
Labour Charges	0.09	197.63
Water Charges	0.54	1.19
Repairs And Maintenance	0.36	8.73
Rent, Rates And Taxes	7.66	44.09
Auditors Remuneration	1.20	1.40
Legal & Professional Charges	29.07	130.14
Office & Miscellaneous Exp.	4.61	20.07
Travelling & Conveyance	0.92	11.48
Selling & Distribution Expenses	5.16	132.85
Reduction In Sales Realization	0.84	186.77
Service Tax	-	10.75
Bank Charges	71.79	40.58
Total	131.70	848.39

Consumable Stores & Spares :

Particulars	**Amount in ₹**		**Percentage**	
	31.03.2020	**31.03.2019**	**31.03.2020**	**31.03.2019**
a) Imported	-	-	0.00%	0.00%
b) Indigenous	5.25	21.93	100.00%	100.00%

Note 27 - Taxation

27(a) - Income tax expense

(Amounts are in lakhs unless stated otherwise)

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods		
Total current tax expense	**-**	**-**
Deferred tax		
Decrease/(increase) in deferred tax assets	2.65	(11.98)
(Decrease)/increase in deferred tax liabilities		
Total deferred tax expense/(benefit)	**2.65**	**(11.98)**
Income tax expense	**2.65**	**(11.98)**

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

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Accounting profit before income-tax :	**(340.96)**	(659.96)
Applicable Indian statutory income-tax rate	-	
excess tax adjustment		
Current tax provision	-	-

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

Note 28 - Related Party Transactions:

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

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

Details of transactions between the Company and its related parties are disclosed below:
b) Transactions during the year with related parties:

(Amounts are in lakhs unless stated otherwise)

Sr. No.	Particulars	Holding Company		Associates of Holding Company		Key Management Personnel		Relative of Key Management Personnel	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	**Commission Paid**								
	Nehal Mehta			-	-	-	-	**11.37**	47.39
2	**Sale of goods**								
	Goldiam International Limited	-	0.53						
	Goldiam HK Limited			-	55.64	-	-	-	-
	Goldiam USA Inc.			-	38.01	-	-	-	-
	Sunshine Exports			**10.01**	109.64				
	Goldiam Jewellery Ltd			**0.91**	-				
3	**Purchase of goods**								
	Goldiam International Limited	-	-	-	-	-	-	-	-
	Sunshine Corporation			-	459.09	-	-	-	-
	Goldiam HK Limited			-	48.95				
	Temple Designs LLP				-				
4	**Sale of Fixed Assets**								
	Goldiam International Limited	**6.29**	7.78						
	Sunshine Corporation			**4.21**	3.83				
4	**Capital Reduction**								
	Goldiam HK Limited	-	-	-	-	-	-	-	-
5	**Share of Loss from Partnership Firm**								
	Temple Designs LLP				-	-	-	-	-
6	**Rent**		-	-	-	-	-	-	-
	Sunshine Corporation			-	13.50				
7	**Consultancy Charges Paid**								
	Goldiam International Limited	-	27.40	-	-	-	-	-	-
			-						
8	**Payments to & provision for Directors' remuneration**								
	Nirav Mehta	-	-	-	-	-	42.00		
		-	-	-	-		-		

(Amounts are in lakhs unless stated otherwise)

Sr. No.	Particulars	Holding company		Subsidiary / Associates of Holding Company		Key Management Personnel		Relative of Key Management Personnel	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	**Outstanding Receivables**								
	Goldiam USA Inc.			-	3.47	-	-	-	-
	Goldiam HK Limited			-	15.21	-	-	-	-
	Godiam International Limited	0.01	-						
	Sunshine Corporation			-	95.68				
3	**Outstanding Payables**								
	Godiam International Limited	-	-			-	-	-	-
	Sunshine Corporation			-	-	-	-	-	-
						-	-	-	-
	Goldiam HK Limited			-	-	-	-	-	-
	Nehal Mehta			-	-			-	7.33
	Investment in Partnership Firm/ Associates								
	Temple Designs LLP			**0.95**	-				
	Goldiam Hk Limited	-	-	**0.06**	0.06			-	-

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Note 29 - Financial Risk Management:

i) Financial Instruments by Category :

(Amounts are in lakhs unless stated otherwise)

Particulars	31st March, 2020		31st March, 2019	
	FVTPL	**Amortized Cost**	FVTPL	Amortized Cost
Financial assets :				
Investments				
mutual funds Shares and Bond	34.98	1.01	468.77	0.06
Loans				
Trade receivables		18.11		744.75
Security deposits		2.53		3.54
Cash and cash equivalents		36.56		141.97
Total	34.98	57.20	468.77	890.25
Financial Liabilities				
Borrowings		-		876.10
Trade payables		1.30		23.25
Total	-	1.30	-	899.35

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

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

II) Risk management

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

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

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

Financial risk management

i) Financial instruments by category

(Amounts are in lakhs unless stated otherwise)

Particulars	31-03-2020		31-03-2019	
	FVPTL	**Amortized Cost**	FVPTL	Amortized Cost
Financial assets				
Investments	34.98	1.01	468.77	0.06
mutual funds				
Loans				
to subsidiaries				
to other body corporates				
Trade receivables				
Security deposits				
Cash and cash equivalents		36.56		141.97
Other receivables		108.50		208.95
Bank deposits				
Total				
Financial liabilities				
Borrowings		-		876.10

Trade payables*	1.30	23.25
Other financial liabilities	3.80	51.04
Total		

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

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

A) Credit Risk

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

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

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

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

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

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

(Amounts are in lakhs unless stated otherwise)

	As at 31-Mar-20	As at 31-Mar-19
Not due		
0-30 days past due	-	-
31-60 days past due		-
61-90 days past due	**611.83**	611.83
More than 90 days	**147.77**	147.77
*rounded off to nil	-	-

B) Liquidity risk

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

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

Financing arrangements

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

(Amounts are in lakhs unless stated otherwise)

PARTICULARS	As at 31-Mar-20	As at 31-Mar-19
Expiring within one year (bank overdraft and other facilities)	-	876.10
Expiring beyond one year (bank loan)	-	-
Total	-	876.10

Contractual maturities of financial liabilities

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

31-Mar-20 *(Amounts are in lakhs unless stated otherwise)*

PARTICULARS	Payable on demand	Less than 1 year	Less than 1-2 year	Less than 2-3 year	More than 3 year	Total
Non-derivatives						
Borrowings		-	-	-	-	-
Trade payable		1.30	-	-	-	1.30
Other financial liabilities		3.80	-	-	-	3.80
Total		**5.10**	**-**	**-**	**-**	**5.10**

31-Mar-19 *(Amounts are in lakhs unless stated otherwise)*

PARTICULARS	Payable on demand	Less than 1 year	Less than 1-2 year	Less than 2-3 year	More than 3 year	Total
Non-derivatives						
Borrowings		876.10	-	-	-	876.10
Trade payable		23.25	-	-	-	23.25
Other financial liabilities		46.12	-	-	-	46.12
Total		**945.47**	**-**	**-**	**-**	**945.47**

C) Market risk - foreign exchange

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

Sensitivity

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

D) Interest rate risk

i) Liabilities

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. At 31 March 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	31-Mar-20	31-Mar-19
Variable rate borrowing		
Fixed rate borrowing	-	876.10
Total Borrowings	**-**	**876.10**

Sensitivity

The sensitivity to profit or loss in case of a reasonably possible change in interest rates of +/- 50 basis points (previous year: +/- 50 basis points), keeping all other variables constant, would have resulted in an impact on profit by ₹ _lakhs (previous year profits by ₹ 46.11 lakhs).

ii) Assets

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

E) Price risk

Exposure from investments in mutual funds:

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

Sensitivity

The sensitivity to profit or loss in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in an impact on loss by ₹ __lakhs (previous year profit by ₹ 27.087 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 30 - 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)

(a) Particulars	31-Mar-20	31-Mar-19
Net debts	-	0.01
Total equity	0.01	0.02
Gearing Ratio	**0.00%**	**50.67%**

(b) Dividends

Particulars	31-Mar-20	31-Mar-19
(i) Equity shares	3279999	3999929

Note 31 - Financial Risk Management:

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
As at 31 March 2020				
Financial assets				
Investments at fair value through profit or loss				
Mutual funds	34.98	-	-	34.98
Total financial assets	**34.98**	**-**	**-**	**34.98**
As at 31 March 2019				
Financial assets				
Investments at fair value through profit and loss				
Mutual funds	468.77	-	-	468.77
Derivative instruments				
Option to fix prices of gold in purchase contracts				
Total financial assets	**468.77**	**-**	**-**	**468.77**

(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.

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Note 32 - Earnings Per Share:

Particulars	31.03.2020	31.03.2019
(a) Basic earnings per share		
From continuing operations attributable to the equity holder of the company	(9.73)	(16.20)
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	(9.73)	(16.20)

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

Particulars	31.03.2020	31.03.2019
Basic earnings per share		
Profits attributable to the equity holders of the company used in calculating basic earnings per share	(343.61)	(647.98)
From continuing operation	**(343.61)**	**(647.98)**
Profits attributable to the equity holders of the company :		
Used in calculating earnings per share	(343.61)	(647.98)
Add:		
Profits attributable to the equity holders of the company used in calculating diluted earnings per share		

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

Particulars	Number of shares	
	31.03.2020	31.03.2019
Weighted average number of equity shares used as the denominator in calculating basic earning per share	3532468	3999929
Adjustments for calculation of diluted earnings per share: options	0.00	0.00
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earning per share	3532468	3999929

33 Manufactruring & Trading activity:

The Company has desiced to close its manufacturing activity of jewellery w.e.f. 12th December 2018. The company is Continueing its trading activity in cut & polished diamods and colour stones.

34 Applicablity of INDAS 105:

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

35 Contingent Liabilities Not Provided For:

a The Company has Outstanding Income Tax Demand, which is not paid as disputed by the Company which is as under :

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

36 During the year under review , the company completed buyback of 719930 equity shares at an average price of ₹ 32.71 per equity share and, accordingly, utilized ₹ 235.41 Lakhs (Excluding transaction costs) towards the buyback of shares and the company has incurred ₹ 0.25 lakhs as Buy Back Expenses. As referred to in Ind As 32 the amount utilized for Buy Back and expenses incurred for Buy Back has been reduced from Retain Earnings of the Company.

37 Note on Covid -19 impact and its assessment:

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

The company is about to resume its operations. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31st March, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

38 Duriing the year under review Punjab National Bank has debited a sum of ₹ 67.62 lakh towards Bank Charges by Punjab National Bank for the difference in bank charges which was collected @ 1.20% p.a. instead of @ 3.60% p.a. on bank guarantee to issued in favour of The Bank of Nova Scotia for the period 2009-2016. The company has filed a legal suit with Small Causes Court on the ground that it is mistake from the Bank and the Company shall not be liable for the mistake on the part of the bank for past dues. The Company has charged the same as revenue expenditure to its Profit and Loss Account.

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

40 EARNINGS IN FOREIGN EXCHANGE:	**2019-20**	2018-19
F.O.B.Value of Exports	**Nil**	2,728.09

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

	PARTICULARS	**2019-20**	2018-19
1	Raw Material	**Nil**	51.39
2	Consumable Stores	**-**	-
3	Capital Goods	**-**	-
4	Foreign Travel	**Nil**	3.38
5	Other Expenditures	**-**	-
		Nil	54.77

42 REMUNERATION TO AUDITORS:

PARTICULARS		2019-20	2018-19
1	As Auditors	0.81	1.01
2	Taxation	0.10	0.10
3	Tax Audit Fees	0.15	0.15
4	Others	0.15	0.15
		1.20	1.40

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

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

Pulindra Patel
Proprietor
Mem No. : 048991

Place : Mumbai
Date : 11th June, 2020

For and on behalf of the Board Directors
Diagold Designs Limited

Nirav M Mehta
Managing Director
Din - 017819

Rashesh M. Bhansali
Director
Din - 00057931

Place : Mumbai
Date : 11th June, 2020