

DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2022

Standalone balance sheet as at March 31, 2022

(Amounts are in lakhs unless stated otherwise)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	1	3.69	4.05
Other intangible assets	2	0.09	0.09
Investments in Joint venture		-	-
Financial assets			
i. Investments		-	-
ii. Loans	3	94.25	93.02
iii. Other financial assets	4	-	1.35
Deferred tax assets	5	2.89	2.58
Total non-current assets		100.92	101.09
Current assets			
Inventories	6	27.04	27.04
Financial assets			
i. Investments		-	-
ii. Trade receivables	7	2.15	16.86
iii. Cash and cash equivalents	8	365.02	1,140.02
iv. Bank balances other than (iii) above		-	-
v. Loans	9	3.20	3.20
vi. Other financial assets		-	-
Other current assets	10	21.21	27.35
Total current assets		418.62	1,214.47
Total assets		519.53	1,315.56
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	246.00	246.00
Other equity	12	267.72	1,062.90
Total equity		513.72	1,308.90
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings		-	-
Total non-current liabilities		-	-
Current liabilities			
Financial liabilities			
i. Borrowings		-	-
ii. Trade payables	13	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	1.21
iii. Other financial liabilities		-	-
Provisions		-	-
Other current liabilities	14	5.81	5.45
Liabilities directly associated with assets classified as held for sale		5.81	6.66
Total current liabilities		5.81	6.66
Total liabilities		5.81	6.66
Total equity and liabilities		519.53	1,315.56

This is the balance sheet referred to in our report of even date
Notes 1 to 35 form an integral part of these financial statements.

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

Pulindra Patel

Pulindra Patel
Proprietor
Mem No. : 048991
UDIN No. : 22048991AKZYOM8505
Place: Mumbai
Date : 16th May, 2022



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

Nirav M. Mehta

Nirav M. Mehta
Managing Director
DIN- 0017819

Rashesh M Bhansali

Rashesh M Bhansali
Director
DIN- 00057931

Place: Mumbai
Date : 16th May, 2022



DIAGOLD DESIGNS LIMITED**Standalone statement of profit and loss for the year ended March 31, 2022**

(Amounts are in lakhs unless stated otherwise)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Continuing operations			
Revenue from operations	15	-	156.12
Other income	16	16.93	32.98
Total income		16.93	189.10
Expenses			
Cost of raw materials and components consumed	17	-	206.81
Purchase of Traded goods		-	-
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods		-	-
Employee benefit expenses	18	-	1.23
Finance Cost	19	-	1.64
Depreciation and amortisation expense	1	0.35	2.07
Other expenses	20	21.44	63.40
Total expenses		21.80	275.15
Profit before exceptional items and tax		(4.87)	(86.05)
Exceptional items :			
Profit on sale of Factory Building		-	1,576.71
Profit before tax		(4.87)	1,490.66
Income tax expense	21		
- Current tax		3.42	325.12
- Deferred tax		(0.31)	6.91
Total tax expense/(credit)		3.11	332.04
Profit from continuing operations		(7.97)	1,158.62
Discontinued operations			
Profit from discontinued operations before tax		-	-
Tax expense of discontinued operations		-	-
Profit from discontinued operations		-	-
Profit for the year		(7.97)	1,158.62
Other Comprehensive Income:			
a) Items that will not be reclassified to profit or loss		-	(0.15)
b) Income tax relating to items that will not be reclassified to profit or loss		-	-
c) Items that will be reclassified to profit or loss		-	-
d) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income / (Losses)		-	(0.15)
Total other comprehensive income / (Losses) for the year		(7.97)	1,158.48
Earnings per share			
Basic		(0.32)	35.32
Diluted		(0.32)	35.32

Notes 1 to 35 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

UDIN No. : 22048991AKZYOM8505

Place: Mumbai

Date : 16th May, 2022

For and on behalf of the Board of Directors
Diagold Designs LimitedNirav M. Mehta
Managing Director
DIN- 0017819Rashesh M Bhansali
Director
DIN- 00057931

Place: Mumbai

Date : 16th May, 2022



DIAGOLD DESIGNS LIMITED

Cash flow statement for the year ended March 31, 2022

(Amounts are in lakhs unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
A Cash flow from operating activities :		
Profit after exceptional items before tax		1,490.66
Adjustments for:	(4.87)	
Depreciation and amortization for the year	0.35	2.07
Net unrealised foreign exchange (gain)/ loss	0.08	0.76
Net (profit)/loss on disposal of property	-	(1,623.14)
Net (profit)/loss on disposal of fixed assets	-	10.94
(income)/loss from investments measured at FVTPL	-	(0.23)
Interest Income	(16.51)	(32.74)
Finance cost	-	1.64
	<u>(16.08)</u>	<u>(1,640.71)</u>
Operating profit before working capital changes	(20.95)	(150.05)
Adjustments for:		
Decrease/increase in inventories	-	206.68
Decrease/(increase) in non-current financial assets	1.35	2.13
Decrease/(increase) in current financial assets	-	0.29
Decrease/(increase) in other current assets	3.12	74.48
Increase in trade receivables	14.63	0.45
Increase in trade payables	(1.21)	(0.05)
Increase in current financial liabilities	0.34	1.65
	<u>18.24</u>	<u>285.61</u>
Cash generated from operating activities	(2.70)	135.55
Income Tax Paid (net)	(1.61)	(323.90)
	<u>(1.61)</u>	<u>(323.90)</u>
Net cash generated from operating activities	(4.31)	(188.35)
B Cash flow from investing activities:		
Proceeds from disposal of property, plant and equipment	-	1,751.49
Proceeds from redemption of investments, net	-	35.12
Buyback of equity shares	-	(437.06)
Tax on Buyback of equity shares	-	(88.59)
Capital Expenses for Buyback of equity shares	-	(0.26)
Interest received	16.51	32.74
Dividend paid	(787.20)	-
	<u>(770.69)</u>	<u>1,293.44</u>
Cash used in investing activities	(770.69)	1,293.44
C Cash flow from financing activities:		
Interest paid	-	(1.64)
	<u>-</u>	<u>(1.64)</u>
Net cash generated from financing activities	-	(1.64)
Net increase in cash and cash equivalents (A+B+C)	(775.00)	1,103.45
Cash and cash equivalents at the beginning of the year	1,140.02	36.56
Cash and cash equivalents at the end of the year	365.02	1,140.02

Note :

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

Notes 1 to 35 form an integral part of these financial statements.

As per attached report of even date.

For Pulindra Patel & Co.

Chartered Accountants

ICAI Firm Registration No. 115187W

Pulindra M. R.

Pulindra Patel

Proprietor

Mem No. : 048991

UDIN No. : 22048991AKZY018505

Place : Mumbai

Date : 16th May, 2022



For and on behalf of the Board of Directors

Diagold Designs Limited

Nirav M Mehta

Nirav M Mehta
Managing Director
DIN- 0017819

Rashesh M Bhansali

Rashesh M Bhansali
Director
DIN- 00057931

Place: Mumbai

Date : 16th May, 2022



Diagold Designs Limited
Notes to Financial Statement as 31st March, 2022

Company Information

Diagold Designs Limited (the Company) is a public limited company domiciled in India with its registered office located at CC 2070A, Bharat Diamond Bourse, G Block, BKC, Bandra (East), Mumbai - 400 051. The Company is engaged in manufacturing, selling of Gold Jewellery, Diamond studded Jewellery and silver jewellery.

A. Basis of Preparation

(i) Compliance with Ind AS

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

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

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

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 16th May, 2022.

(ii) Historical Cost Convention

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

B KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

C SIGNIFICANT ACCOUNTING POLICIES

(a) Property, Plant and Equipment:

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

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

Subsequent measurement (depreciation and useful lives)

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



(Signature)



Diagold Designs Limited

Notes to Financial Statement as 31st March, 2022

De-recognition

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

(b) Impairment of non-financial assets

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

(c) Financial instruments

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

De-recognition of financial assets

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

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

De-recognition of financial liabilities

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

(d) Impairment of financial assets

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

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

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

Trade receivables

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

Other financial assets

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



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Diagold Designs Limited
Notes to Financial Statement as 31st March, 2022

(e) Inventories

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

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

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

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

(f) Income taxes

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

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

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

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

(g) Cash and cash equivalents

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

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

Defined contribution plans

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

Defined benefit plans

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

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

Other long-term employee benefits

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

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

Short-term employee benefits

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



Diagold Designs Limited
Notes to Financial Statement as 31st March, 2022

(i) Operating expenses

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

(j) Borrowing costs

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

(k) Fair value measurement

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

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

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

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

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

(l) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

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

(m) Earnings per share :

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

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

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

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

Significant management judgments and estimates

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

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

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

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



Diagold Designs Limited
Notes to Financial Statement as 31st March, 2022

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

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

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

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

(o) Revenue recognition

Interest and dividend :

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

(p) Revenue from contract with customers

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

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

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

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

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

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

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

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

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



Diagold Designs Limited

Notes to Financial Statement as 31st March, 2022

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

Interest Income :

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

Dividend

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

q) Leases :

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

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



DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2022

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 2020	3279999	328.00
Changes in Equity Share Capital during the year	(8,19,998)	(82.00)
Balance as at 31 March 2021	2460001	246.00
Changes in Equity Share Capital during the year	-	-
Balance as at 31 March 2022	2460001	246.00

B. OTHER EQUITY

(Amounts are in lakhs unless stated otherwise)

Particulars	Reserves and surplus					Total
	Capital Redemption	Security Premium	Revaluation Reserves	General Reserves	Retained Earning	
Balance as at 1 April 2021	71.99	227.23	420.87	327.41	(278.29)	769.20
Profit for the year					1,158.62	1,158.62
Other comprehensive income					(0.15)	(0.15)
Total comprehensive income	71.99	227.23	420.87	327.41	880.18	1,927.68
Dividends distributed to equity shareholders					-	-
Corporate dividend tax on dividend paid to Equity Shareholder:					-	-
Buy-back of equity Shares (Refer Note 13)	-	(227.23)		(127.83)	(88.59)	(443.65)
Transfer to Capital Redemption Reserve	82.00	-	(420.87)	(82.00)		(420.87)
Buy Back Expenses					(0.26)	(0.26)
Others					-	-
Balance as at 31 March 2022	153.99	0.00	-	117.58	791.33	1,062.90
Profit for the year					(7.97)	(7.97)
Other comprehensive income					-	-
Total comprehensive income	153.99	0.00	-	117.58	783.35	1,054.92
Dividends distributed to equity shareholders					(787.20)	(787.20)
Balance as at 31 March 2022	153.99	0.00	-	117.58	(3.85)	267.72

Notes 1 to 35 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

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

Place: Mumbai
Date : 16th May, 2022

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

Nirav M Mehta *Rashesh M Bhansali*

Nirav M Mehta
Managing Director
DIN- 0017819

Rashesh M Bhansali
Director
DIN- 00057931

Place: Mumbai
Date : 16th May, 2022



DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2022

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, 2020	506.47	277.79	147.62	19.12	43.37	128.14	36.11	30.18	1,188.79
Additions	-	-	-	-	-	-	-	-	-
Deduction	506.47	277.79	147.62	-	43.37	128.14	36.11	-	1,139.49
As at March 31, 2021	-	-	-	19.12	-	-	-	30.18	49.30
Additions	-	-	-	-	-	-	-	-	-
Deduction	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	-	-	19.12	-	-	-	30.18	49.30

Particulars	Buildings	Office Premises	Furniture fixture	Computer	Electrical Installation	Plant and machinery	Office equipment's	Vehicles	Total
Accumulated depreciation									
As at April 1, 2020	-	235.53	141.04	19.09	41.71	128.14	36.11	24.34	625.96
Depreciation charge during the year	-	-	-	-	-	-	-	1.82	1.82
Deduction	-	235.53	141.04	-	41.71	128.14	36.11	-	582.52
As at March 31, 2021	-	-	-	19.09	-	-	-	26.16	45.25
Depreciation charge during the year	-	-	-	-	-	-	-	0.35	0.35
Deduction	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	-	-	19.09	-	-	-	26.51	45.61

Net carrying amount as at March 31, 2022

Net carrying amount as at March 31, 2021

Net carrying amount as at April 1, 2020

	-	-	-	0.03	-	-	-	3.67	3.69
	-	-	-	0.03	-	-	-	4.02	4.05
	506.47	42.26	6.59	0.03	1.66	-	0.00	5.84	562.84



DIAGOLD DESIGNS LIMITED**Financial statements as at and for the year ended March 31, 2022****Note 2 - Intangible assets***(Amounts are in lakhs unless stated otherwise)*

Particulars	Computer software	Total
<i>Gross block</i>		
As at April 1, 2020	13.00	13.00
Additions	-	-
Deduction	-	-
As at March 31, 2021	13.00	13.00
Additions	-	-
Deduction	-	-
As at March 31, 2022	13.00	13.00

(Amounts are in lakhs unless stated otherwise)

Particulars	Computer software	Total
<i>Accumulated amortisation and impairment</i>		
As at April 1, 2020	12.66	12.66
Amortisation charge during the year	0.25	0.25
Impairment loss during the year	-	-
As at March 31, 2021	12.91	12.91
Amortisation charge during the year	-	-
Impairment loss during the year	-	-
As at March 31, 2022	12.91	12.91

Net carrying amount as at March 31, 2022

0.09

0.09

Net carrying amount as at March 31, 2021

0.09

0.09

Net carrying amount as at April 1, 2020

0.33

0.33



DIAGOLD DESIGNS LIMITED**Financial statements as at and for the year ended March 31, 2022****Note 3 - Long term loans and advances***(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2022	As at March 31, 2021
Loans and advances, unsecured, considered good		
Advance income-tax(net of provision for taxation)	94.25	93.02
Total	94.25	93.02

Note 4 - Other non-current financial assets*(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposit	-	0.41
Other deposits	-	0.95
Total	-	1.35

Note 5 - Deferred tax liabilities*(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liabilities :		
i) relating to Depreciation, amortization and Impairment	2.89	2.58
Total	2.89	2.58

Note 6 - Inventories*(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials (Refer note)	27.04	27.04
Total	27.04	27.04

Note 7 - Trade receivables*(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	-	-
Doubtful	-	-
Less : Provision for doubtful receivables	-	-
Other receivables		
Unsecured, considered good	2.15	16.86
Trade Receivables which have significant increase in Credit Risk		
Trade Receivables - credit impaired		
Total	2.15	16.86



Note 8 - Cash and cash equivalents*(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.30	0.30
Bank balances		
- Current Account	18.76	15.90
- EEFC Account	-	-
- Fixed Deposit with Banks	345.96	1,123.82
Total	365.02	1,140.02

Note 9 - Short term loans and advances*(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	3.20	3.20
Others		
Total	3.20	3.20

Note 10 - Other current assets*(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with govt authorities	19.92	27.09
Others	1.29	0.27
Total	21.21	27.35



DIAGOLD DESIGNS LIMITED**Financial statements as at and for the year ended March 31, 2022****Note 11 - Share capital and other equity**

Share capital	<i>(Amounts are in lakhs unless stated otherwise)</i>	
	As at March 31, 2022	As at March 31, 2021
Particulars		
Authorized shares		
4000000 Equity Shares of ₹ 10/- each <i>(Previous year 3999929 Equity Shares of ₹ 10/- each)</i>	400.00	400.00
Issued, subscribed and fully paid-up shares		
2460062 Equity Shares of ₹ 10/- each <i>(Previous year 3279999 Equity Shares of ₹ 10/- each)</i>	246.00	246.00
	<u>246.00</u>	<u>246.00</u>

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

Equity Shares	<i>(Amounts are in lakhs unless stated otherwise)</i>		<i>(Amounts are in lakhs unless stated otherwise)</i>	
	As at March 31, 2022		As at March 31, 2021	
	Nos. of shares	Rs. in Lakhs	Nos. of shares	Rs. in Lakhs
At the beginning of the period	2460001	246.00	3279999	328.00
Issued during the period - Convertible warrants		-		
Buy Back of Shares	0	-	(819998)	(82.00)
Outstanding at the end of the period	<u>2460001</u>	<u>246.00</u>	<u>2460001</u>	<u>246.00</u>

(b) Terms/ rights attached to equity shares

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

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

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

Name of the shareholder	<i>(Amounts are in lakhs unless stated otherwise)</i>		<i>(Amounts are in lakhs unless stated otherwise)</i>	
	As at March 31, 2022		As at March 31, 2021	
	Nos. of Shares	% holding in the class	Nos. of Shares	% holding in the class
Equity shares of Rs. 10/- each fully paid				
Goldiam International Ltd.	1254411	50.99%	1672548	67.99%
Milan R. Mehta	4,74,600	19.29%	474600	19.29%
Nehal Milan Mehta	2,13,400	8.67%	615200	25.01%
Nirav Milan Mehta	1,91,001	7.76%	191001	7.76%
Trupti Milan Mehta	2,55,000	10.37%	255000	10.37%
Sweta N. Mehta	71,400	2.90%	71400	2.90%
Rashesh Bhansali	126	0.01%	167	0.01%
Shobhana Bhansali	63	0.00%	83	0.00%

As per the records of the Company

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

e) Proposed Dividend on Equity Shares

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



DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2022

Note 12 - Other Equity

(Amounts are in lakhs unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Redemption Reserve		
(a) As per Balance Sheet	153.99	71.99
Add : Transfer from Equity Share Capital	-	82.00
	<u>153.99</u>	<u>153.99</u>
Security Premium		
(a) As per Balance Sheet	0.00	227.23
Less : Utilisation for Buy Back of Equity Shares	-	(227.23)
Less : Transfer to Capital Redemption Reserve	-	-
	<u>0.00</u>	<u>0.00</u>
Revaluation Reserves :		
(a) As per Balance Sheet	-	420.87
Less : transfer to sale of property	-	(420.87)
	<u>-</u>	<u>-</u>
General reserve		
(a) As per Balance Sheet	117.58	327.41
Less : Utilisation for Buy Back of Equity Shares	-	(127.83)
Less : Transfer to Capital Redemption Reserve	-	(82.00)
	<u>117.58</u>	<u>117.58</u>
Surplus in the statement of profit and loss		
Balance as per the last financial statements	791.33	(278.29)
Profit for the year	(7.97)	1,158.48
Less: Appropriations		
Final Dividend	(787.20)	-
Tax on buyback of shares	-	(88.59)
Buy Back Expenses	-	(0.26)
Closing Balance	<u>(3.85)</u>	<u>791.33</u>
TOTAL	267.72	1,062.90

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.






DIAGOLD DESIGNS LIMITED**Financial statements as at and for the year ended March 31, 2022****Note 13 - Trade payables***(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2022	As at March 31, 2021
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	-	1.21
Total	-	1.21

Note 14 - Other current liabilities*(Amounts are in lakhs unless stated otherwise)*

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	0.45	1.34
Other payables	5.36	3.37
Advances from customers	-	0.74
Total	5.81	5.45



DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2022

Note 15 - Revenue from operations

(Amounts are in lakhs unless stated otherwise)

Particulars	Year ended March	Year ended March
	31, 2022	31, 2021
Operating Income :		
(a) Manufactured goods	-	0.73
(b) Traded goods	-	155.39
(b) Sale of Services	-	-
	-	156.12
	-	-
	-	156.12
Sale of products comprises :		
(a) Manufactured goods		
Sales of Other Misc. Products	-	0.73
	-	0.73
(b) Traded goods		
Sales of Cut & Polished Diamond	-	140.03
Sales of Colour stones	-	-
Sale of Gold	-	15.36
	-	155.39

Note 16 - Other income

(Amounts are in lakhs unless stated otherwise)

Particulars	Year ended March	Year ended March
	31, 2022	31, 2021
Interest received	16.51	32.74
Bank Guarantee Refund	0.42	-
Profit on sale of Mutual Fund	-	0.23
Total	16.93	32.98

Note 17 - Cost of materials consumed

(Amounts are in lakhs unless stated otherwise)

Particulars	Year ended March	Year ended March
	31, 2022	31, 2021
Opening Stock	27.04	233.72
Add: Purchases		
Silver	-	0.14
	27.04	233.86
Less : Closing Stock	27.04	27.04
Total	-	206.81

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

Particulars	Amount in ₹		Percentage	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	Raw Materials			
(i) Imported	-	-	0.00%	0.00%
(ii) Indigenous	206.81	292.47	100.00%	100.00%

Note 18 - Employee benefit expenses

(Amounts are in lakhs unless stated otherwise)

Particulars	Year ended March	Year ended March
	31, 2022	31, 2021
Salaries, Wages, Bonus & Ex-gratia	-	1.13
Workmen & Staff Welfare expenses	-	0.10
Total	-	1.23

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

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



Note 19 - Net finance costs*(Amounts are in lakhs unless stated otherwise)*

Particulars	Year ended March	Year ended March
	31, 2022	31, 2021
Interest on Bank Loan / Others	-	1.64
Total	-	1.64

Note 20 - Other expenses*(Amounts are in lakhs unless stated otherwise)*

Particulars	Year ended March	Year ended March
	31, 2022	31, 2021
Electricity Charges	-	0.43
Assortment, Refining & Grooving Charges	-	2.68
Water Charges	-	0.21
Repairs And Maintenance	-	0.16
Rent, Rates And Taxes	0.09	3.47
Auditors Remuneration	0.99	1.20
Net Loss on Foreign currency transaction & Translation	0.76	1.16
Legal & Professional Charges	5.31	15.41
Office & Miscellaneous Exp.	14.05	24.41
Travelling & Conveyance	0.04	1.10
Selling & Distribution Expenses	-	0.51
Bank Charges	0.21	1.72
Loss on Sale of fixed assets	-	10.94
Total	21.44	63.40



DIAGOLD DESIGNS LIMITED**Financial statements as at and for the year ended March 31, 2022****Note 21 - Taxation****21(a) - Income tax expense***(Amounts are in lakhs unless stated otherwise)*

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<i>Current tax</i>		
Current tax on profits for the year	-	325.12
Adjustments for current tax of prior periods	3.42	-
Total current tax expense	3.42	325.12
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	(0.31)	2.65
(Decrease)/increase in deferred tax liabilities		
Total deferred tax expense/(benefit)	(0.31)	2.65
Income tax expense	3.11	327.77

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:*(Amounts are in lakhs unless stated otherwise)*

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before income-tax :		1,490.66
Applicable Indian statutory income-tax rate	-	21.81%
Computed expected tax expense	-	-
Current tax provision	-	325.12

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



DIAGOLD DESIGNS LIMITED

Financial statements as at and for the year ended March 31, 2022

Note 22 - 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. Rasheshi 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	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1	Capital Reduction Sunshine Exports HK Limited (formerly known as Goldiam HK Limited)	-	-	-	0.02	-	-	-	-
2	Sales of Investment Sunshine Corporation	-	-	-	0.00	-	-	-	-



(Amounts are in lakhs unless stated otherwise)

Sr. No.	Particulars	Holding company		Subsidiary / Associates of Holding Company		Key Management Personnel		Relative of Key Management Personnel	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1	Outstanding Receivables								
	Sunshine Exports HK Limited (formerly known as Goldiam HK Limited)	-	-	2.01	2.01	-	-	-	-
	Godiam International Limited	0.01	0.01	-	-	-	-	-	-
	Eco-Friendly LLP	-	-	0.05	0.05	-	-	-	-
2	Investment in Partnership Firm/ Associates								
	Temple Designs LLP	-	-	-	0.95	-	-	-	-






DIAGOLD DESIGNS LIMITED
Financial statements as at and for the year ended March 31, 2022

Note 23 - Financial Risk Management:

i) Financial Instruments by Category :

(Amounts are in lakhs unless stated otherwise)

Particulars	31st March, 2022		31st March, 2021	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
Financial assets :				
Loans				
Trade receivables	-	2.15	-	16.86
Security deposits	-	-	-	0.41
Cash and cash equivalents	-	365.02	-	1,140.02
Total	-	367.16	-	1,157.28
Financial Liabilities				
Trade payables	-	-	-	1.21
Total	-	-	-	1.21

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

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

II) Risk management

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow	Availability of committed
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting in 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	31st March, 2022		31st March, 2021	
	FVPTL	Amortized Cost	FVPTL	Amortized Cost
Financial assets				
Trade receivables	-	2.15	-	16.86
Cash and cash equivalents	-	365.02	-	1,140.02
Other receivables	-	24.41	-	30.55
Bank deposits	-	-	-	-
Total	-	391.58	-	1,187.43
Financial liabilities				
Trade payables*	-	-	-	1.21
Other financial liabilities	-	5.81	-	5.45
Total	-	5.81	-	6.66





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

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

A) Credit Risk

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

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

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

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

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

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

	<i>(Amounts are in lakhs unless stated otherwise)</i>	
	As at 31-Mar-22	As at 31-Mar-21
Not due		
0-30 days past due	-	-
31-60 days past due	-	-
61-90 days past due	-	-
More than 90 days	2.15	16.86
*rounded off to nil	-	-

B) Liquidity risk

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

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

Financing arrangements



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

PARTICULARS	(Amounts are in lakhs unless stated otherwise)	
	As at 31-Mar-22	As at 31-Mar-21
Expiring within one year (bank overdraft and other facilities)	-	-
Expiring beyond one year (bank loan)	-	-
Total	-	-

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-2022						
PARTICULARS	(Amounts are in lakhs unless stated otherwise)					
	Payable on demand	Less than 1 year	Less than 1-2 year	Less than 2-3 year	More than 3 year	Total
Non-derivatives						
Trade payable	-	-	-	-	-	-
Other financial liabilities	-	5.81	-	-	-	5.81
Total	-	5.81	-	-	-	5.81

31-Mar-2021						
PARTICULARS	(Amounts are in lakhs unless stated otherwise)					
	Payable on demand	Less than 1 year	Less than 1-2 year	Less than 2-3 year	More than 3 year	Total
Non-derivatives						
Trade payable	-	-	1.21	-	-	1.21
Other financial liabilities	4.71	0.74	-	-	-	5.45
Total	-	4.71	1.95	-	-	6.66

C) Market risk - foreign exchange

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

Sensitivity

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

D) Interest rate risk

i) Liabilities

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

Interest rate risk exposure

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

Particulars	(Amounts are in lakhs unless stated otherwise)	
	31-Mar-22	31-Mar-21
Variable rate borrowing	-	-
Fixed rate borrowing	-	-
Total Borrowings	-	-

Sensitivity

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

ii) Assets

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



E) Price risk

Exposure from investments in mutual funds:

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

Sensitivity

The sensitivity to profit or loss is not applicable as there is no turnover.

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 24 - 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-22	31-Mar-21
Net debts	-	-
Total equity	0.01	0.01
Gearing Ratio	0.00%	0.00%

(b) Dividends	31-Mar-22	31-Mar-21
Particulars		
(i) Equity shares	-	-

Note 25 - 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 2022				
Financial assets				
Investments at fair value through profit or loss				
Mutual funds	-	-	-	-
Total financial assets	-	-	-	-
As at 31 March 2021				
Financial assets				
Investments at fair value through profit and loss				
Mutual funds	-	-	-	-
Derivative instruments				
Option to fix prices of gold in purchase contracts	-	-	-	-
Total financial assets	-	-	-	-

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

Specific valuation techniques used to value financial instruments include

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

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

[Handwritten Signature]



DIAGOLD DESIGNS LIMITED**Financial statements as at and for the year ended March 31, 2022****Note 26 - Earnings Per Share:**

Particulars	31.03.2022	31.03.2021
(a) Basic earnings per share		
From continuing operations attributable to the equity holder of the company	(0.32)	35.32
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	(0.32)	35.32

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

Particulars	31.03.2022	31.03.2021
Basic earnings per share		
Profits attributable to the equity holders of the company used in calculating basic earnings per share	(7.97)	1,158.62
From continuing operation	(7.97)	1,158.62
Profits attributable to the equity holders of the company		
Used in calculating earnings per share	(7.97)	1,158.62
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	
	31.03.2022	31.03.2021
Weighted average number of equity shares used as the denominator in calculating basic earning per share	2460001	3279999
Adjustments for calculation of diluted earnings per share options	0.00	0
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earning per share	2460001	3279999



DIAGOLD DESIGNS LIMITED

Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2022

Note 27 -Disclosure with respect to Ratio:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reasons for Variance
(a) Current Ratio	Current Assets	Current Liability	72.04	182.37	(0.60)	
(b) Debt Equity Ratio	Borrowings+ Interest Accrued	Total Equity	-	-	-	
(c) Debt Service Coverage Ratio	Net Profit after Tax +Depreciation+ Interest+loss on sale of Fixed Assets	Debt Service = Interest & Lease payments +Principal	(7.62)	1,162.33	(1.01)	
(d) Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	(0.02)	0.89	(1.02)	
(e) Inventory turnover ratio	Cost of Goods sold or Sales	Average Inventory (Opening Inventory + Closing Inventory) 2	-	137.87	(1.00)	
(f) Trade Receivables Turnover 1	Net Credit Sales	Average Accounts Receivables	-	1,235.73	(1.00)	
(g) Trade Payables turnover	Net Credit Purchases	Average Trade Payables	-	14,167.03	(1.00)	
(h) Net Capital turnover ratio	Net Sales	Working Capital	-	17.89	(1.00)	
(i) Net Profit Ratio	Net Profit	Net Sales	-	7.42	(1.00)	
(j) Return on Capital Employed	Earning before interest and taxes	Capital Employed	(0.01)	1.14	(1.01)	
(k) Return on investment	Net Profit after Tax	Total Equity	(0.02)	0.89		



DIAGOLD DESIGNS LIMITED
Financial statements as at and for the year ended March 31, 2022

28 Going Concern Concept :

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

29 Applicability of INDAS 105:

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

30 Contingent Liabilities Not Provided For:

a The Company has not paid the Income Tax as disputed in Appeal by the Company which is as under :

INCOME TAX ASSESSMENT YEAR	Amount
A.Y. 2010-11	42.39
A.Y. 2013-14	112.94
A.Y. 2012-13	76.98

31 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.

32 EARNINGS IN FOREIGN EXCHANGE:

	2021-22	2020-21
F.O.B. Value of Exports	Nil	Nil

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

PARTICULARS	2021-22	2020-21
1 Raw Material	Nil	Nil
2 Consumable Stores	-	-
3 Capital Goods	-	-
4 Foreign Travel	Nil	Nil
5 Other Expenditures	-	-
	Nil	Nil

34 REMUNERATION TO AUDITORS:

PARTICULARS	2021-22	2020-21
1 As Auditors	0.81	0.81
2 Taxation	0.18	0.10
3 Others	-	0.29
	0.99	1.20

35 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 M. Patel

Pulindra Patel
 Proprietor
 Mem No. : 048991
 UDIN No. : 22048991AKZM018505
 Place : Mumbai
 Date : 16th May, 2022



For and on behalf of the Board Directors
 Diagold Designs Limited

Nirav M Mehta

Nirav M Mehta
 Managing Director
 Din - 017819

Place : Mumbai
 Date : 16th May, 2022

Rashesh M. Bhansali

Rashesh M. Bhansali
 Director
 Din - 00057931

