Genoa Jewelers Limited
Consolidated Balance Sheet as at 31 March 2018
(All amount in USD, except otherwise stated)

	Notes	31 March 2018	31 March 2017	1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4.	3,997,684	4,045,762	2,484,937
Other intangible assets	5.	3,603,398	4,314,234	5,693,465
Financial assets				
Investments	6.	-	63,610	435,255
Others	8.	935,073	850,625	1,231,628
Deferred tax assets (net)		4,086,319	2,936,310	2,353,528
Other non-current assets	9.	3,000	922,319	1,464,161
Total non-current assets		**12,625,474**	**13,132,860**	**13,662,974**
Current assets				
Inventories	10.	23,328,752	20,650,366	18,733,463
Financial assets				
Trade receivables	11.	13,475,753	7,781,592	3,525,589
Cash and cash equivalents	12.	2,761,362	7,929,532	5,526,185
Bank balances other than above	12.	140,670	125,365	144,220
Loans	7.	4,929,657	1,619,987	1,868,389
Others	8.	1,059,044	1,119,061	1,088,375
Other current assets	13.	2,364,464	2,619,352	3,594,572
Total current assets		**48,059,702**	**41,845,255**	**34,480,793**
Total assets		**60,685,176**	**54,978,115**	**48,143,767**
EQUITY AND LIABILTIES				
Equity				
Equity share capital	14A.	46,821,633	46,821,633	46,821,633
Other equity	14B.	(12,632,909)	(23,110,102)	(27,071,101)
Total equity		**34,188,724**	**23,711,531**	**19,750,532**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	15.	-	-	323,273
Provisions	17.	187,581	235,014	272,557
Total non-current liabilities		**187,581**	**235,014**	**595,830**
Current liabilities				
Financial liabilities				
Borrowings	15.	150,000	1,748,667	2,207,528
Trade payables		21,339,047	23,902,713	21,852,988
Other financial liabilities	16.	-	280,948	454,777
Provisions	17.	2,242,650	2,221,975	1,748,147
Other current liabilities	18.	1,899,915	2,877,267	1,533,965
Current Tax Liabilities (net)		677,259	-	-
Total current liabilities		**26,308,871**	**31,031,570**	**27,797,405**
Total liabilities		**26,496,452**	**31,266,584**	**28,393,235**
Total equity and liabilities		**60,685,176**	**54,978,115**	**48,143,767**
Significant accounting policies	3.			

The accompanying notes are an integral part of the consolidated financial statements.

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Rajiv Goyal
Partner
M.No.: 094549

Place: Jaipur
Date: 23 May 2018

For **and on behalf of the Board of Directors of**
Genoa Jewelers Limited

Sunil Agrawal
Chairman & Managing Director
DIN :00061142

Place: Jaipur
Date: 23 May 2018

Genoa Jewelers Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2018
(All amount in USD, except otherwise stated)

	Notes	For year ended 31 March 2018	For year ended 31 March 2017
Revenue from operations	19.	214,718,994	186,914,541
Other income	20.	1,346,008	2,166,651
Total Income		**216,065,002**	**189,081,192**
EXPENSES			
Purchases of stock-in-trade		96,388,214	81,822,631
Change in inventories of stock-in-trade	21.	(1,666,369)	(1,916,903)
Employee benefits expense	22.	32,649,715	27,904,466
Finance costs	23.	134,129	190,505
Depreciation and amortization expense	24.	3,285,166	3,063,685
Other expenses	25.	74,128,322	74,391,600
Total expenses		**204,919,177**	**185,455,984**
Profit before tax		**11,145,825**	**3,625,208**
Income tax expense	26.	1,220,543	(956,722)
Profit for the year		**9,925,282**	**4,581,930**
Other comprehensive income			
Items that will not be reclassified to profit or loss - equity investment through OCI		(47,558)	(302,022)
Income tax relating to items that will not be reclassified to profit or loss		-	-
		(47,558)	**(302,022)**
Items that will be reclassified to profit or loss - exchange difference on translation of foreign operations		599,469	(318,909)
Income tax relating to items that will be reclassified to profit or loss		-	-
		599,469	**(318,909)**
Total comprehensive income for the year attributable to owners of the parent		**10,477,193**	**3,960,999**
Of the total comprehensive income above			
- Profit for the year attributable to owners of the parent		9,925,282	4,581,930
- Other comprehensive income attributable to owners of the parent		551,911	(620,931)
Earnings per equity share			
Basic and Diluted	27.	0.21	0.10
Significant accounting policies	3.		

The accompanying notes are an integral part of the consolidated financial statements.

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Rajiv Goyal
Partner
M.No.: 094549

Place: Jaipur
Date: 23 May 2018

For **and on behalf of the Board of Directors of Genoa Jewelers Limited**

Sunil Agrawal
Chairman & Managing Director
DIN :00061142

Place: Jaipur
Date: 23 May 2018

Genoa Jewelers Limited
Consolidated statement of changes in Equity for the year ended 31 March 2018
(All amount in USD, except otherwise stated)

A. Equity Share Capital:

Equity shares of USD 1 each issued subscribed and fully paid

	No. of shares	Amount
Balance at the 01 April 2016	46,821,633	46,821,633
Change in equity share capital during	-	-
Balance at the 31 March 2017	46,821,633	46,821,633
Change in equity share capital during	-	-
Balance at the 31 March 2018	**46,821,633**	**46,821,633**

B. Other Equity

For the year ended 31 March 2018:

	Retained earnings	Items of OCI (net of tax)		Total
		Equity instruments through OCI	Exchange difference on translation of foreign operations	
Balance as at 31 March 2017	(22,489,171)	(302,022)	(318,909)	(23,110,102)
Profit of the year	9,925,282	-	-	9,925,282
Other comprehensive income net of tax	-	(47,558)	599,469	551,911
Balance as at 31 March 2018	**(12,563,889)**	**(349,580)**	**280,560**	**(12,632,909)**

For the year ended 31 March 2017:

	Retained earnings	Items of OCI (net of tax)		Total
		Equity instruments through OCI	Exchange difference on translation of foreign operations	
Balance as at 01 April 2016	(27,071,101)	-	-	(27,071,101)
Profit of the year	4,581,930	-	-	4,581,930
Other comprehensive income net of tax	-	(302,022)	(318,909)	(620,931)
Balance as at 31 March 2017	**(22,489,171)**	**(302,022)**	**(318,909)**	**(23,110,102)**

Significant accounting policies 3.

The accompanying notes are an integral part of the consolidated financial statements.

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Rajiv Goyal
Partner
M.No.: 094549

Place: Jaipur
Date: 23 May 2018

For **and on behalf of the Board of Directors of**
Genoa Jewelers Limited

Sunil Agrawal
Chairman & Managing Director
DIN :00061142

Place: Jaipur
Date: 23 May 2018

Genoa Jewelers Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2018
(All amount in USD, except otherwise stated)

	For year ended 31 March 2018	For year ended 31 March 2017
A. Cash flow from operating activities		
Profit for the year	**11,145,825**	**3,625,208**
Adjustments for:		
Depreciation and amortisation	3,285,166	3,063,685
Bad debts	119,520	913,185
Allowances for doubtful debts and advances	1,043,194	265,411
Interest	(252,609)	(408,930)
Finance costs	134,129	190,505
Operating profit before working capital changes	**15,475,225**	**7,649,064**
Working capital adjustments:		
(Increase)/ decrease in trade receivables	(6,856,875)	(5,434,599)
(Increase)/ decrease in inventories	(2,678,386)	(1,916,903)
(Increase)/ decrease in loans and other assets	(3,309,670)	248,402
(Increase)/ decrease in other current assets	254,888	975,220
Increase/ (decrease) in trade payables	(2,563,666)	2,049,725
Increase/ (decrease) in provisions	(26,758)	436,285
Increase/ (decrease) in other liabilities	(280,948)	(150,083)
Increase/ (decrease) in other current liabilities	(977,352)	1,343,302
Cash generated from / (used in) operating activities	**(963,542)**	**5,200,413**
Income taxes paid	(938,368)	(242,569)
Net cash generated from / (used in) operating activities	**(1,901,910)**	**4,957,844**
B. Cash flows from investing activities		
Proceeds from sale of investments	16,052	69,623
Purchase of fixed assets	(2,361,858)	(2,086,928)
Proceeds from Security Deposit	(84,448)	381,003
Interest received	312,626	378,244
Decrease / (Increase) in deposit (with original maturities more than three months)	(15,305)	18,855
Net cash (used in) investing activities (B)	**(2,132,933)**	**(1,239,203)**
C. Cash flows from financing activities		
Repayment of borrowings	(1,598,667)	(782,134)
Finance costs paid	(134,129)	(214,251)
Net cash (used in) financing activities (C)	**(1,732,796)**	**(996,385)**
D. Impact of movement of exchange rates		
Foreign currency translation	599,469	(318,909)
Net (decrease) / increase in cash and cash equivalents (A+B+C+D)	**(5,168,170)**	**2,403,347**
Opening balance of cash and cash equivalents	7,929,532	5,526,185
Closing balance of cash and cash equivalents	**2,761,362**	**7,929,532**
Cash and cash equivalent comprises		
Balance with bank current account	2,748,774	7,924,920
Cash on hand	12,588	4,612
	2,761,362	**7,929,532**

Significant accounting policies 3.

The accompanying notes are an integral part of the consolidated financial statements.

The Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS-7 "Statement of Cash Flows", as specified under section 133 of the Companies Act, 2013.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

For **and on behalf of the Board of Directors of**
Genoa Jewelers Limited

Rajiv Goyal
Partner
M.No.: 094549

Place: Jaipur
Date: 23 May 2018

Sunil Agrawal
Chairman & Managing Director
DIN :00061142

Place: Jaipur
Date: 23 May 2018

1. Reporting entity

Genoa Jewelers Limited (hereinafter referred to as 'the Company') is a company domiciled in British Virgin Island, with its registered office situated at Drake Chambers, Road Town, Tortola, British Virgin Island. The Company has been incorporated under the provisions of International Business Companies Act. The consolidated financial statements comprise financial statements of Genoa Jewelers Limited (hereinafter referred to as "the Company" or "the Parent Company") and its subsidiaries (hereinafter collectively referred to as "the Group") for the year ended 31 March 2018. The Group deals in fashion jewellery and lifestyle products.

2. Basis of preparation

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Group's consolidated financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act hereinafter referred as Previous GAAP ('IGAAP').

As these are the Group's first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 35.

These consolidated financial statements are presented in United States Dollar (USD), which is also the Company's functional currency.

As the Company is not domiciled in India and hence not registered under Companies Act 2013, these financial statements have not been prepared to fully comply with the Companies Act 2013, and so they do not reflect all the disclosures requirements of the Act.

Details of the Group's accounting policies are included in Note 3.

b. Functional and presentation currency

The consolidated financial statements are presented in United States Dollar (USD) which is also the Company's functional currency.

c. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Liabilities for equity-settled share-based payment arrangements	Fair value

d. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 29 – leases: whether an arrangement contains a lease;
- Note 29 – lease classification

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 26 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 33 – impairment of financial and non - financial assets

e. Measurement of fair value

The Group records certain financial assets and liabilities at fair value on a recurring basis.

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 Group.

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. Certain assets are measured at fair value on a non-recurring basis.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.

c) Cost approach – Replacement cost method.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 28 – share-based payment; and
- Note 33 – financial instruments;

f. Current and non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

3. Significant accounting policies

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2018, which are as follows:

Name of the Subsidiaries	Country of incorporation	% holding as at 31 March 2018	% holding as at 31 March 2017
The Jewellery Channel Limited, UK	United Kingdom	100%	100%
The Jewelry Channel Inc., USA	USA	100%	100%
Jewel Gems USA, Inc.*	USA	-	100%

*Merged into The Jewelry Channel Inc., USA w.e.f. 28 February 2018 under pooling of interest method.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries in the Group are added on a line-by-line basis and intercompany balances and transactions including unrealized gain/ loss from such transactions are eliminated upon consolidation. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

b. Business combinations

In accordance with Ind-AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, have been carried forward.

c. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit or loss, except exchange differences arising from the long term investments in unquoted and quoted equity shares are recognised at fair value through OCI (FVOCI);

ii. Foreign operation

The translation of foreign operations from respective functional currency into USD (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective periods. The exchange differences arising on translation for consolidation are reported as a component of ‘other comprehensive income (loss)’. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit and loss.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., 1 April 2016. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes later translation differences.

d. Financial Instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – equity investment; or
- FVTPL

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.
Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

iii. De-recognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.
The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 4).

iii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iv. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	**Estimated useful life (in years)**
Building	30
Plant and equipment	15
Electric installation	10
Furniture and fixtures	10
Office equipment	5
Computers	3
Vehicles	8
Lease hold improvement	Over the lease period or useful life of the asset, whichever is lower

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The revised the estimated useful lives during the current year and estimated useful life used in previous financial year is as follows:

Category of Assets	Revised estimated useful life (in years)	Previous estimated useful life (in years)
Studio equipment	5	4 - 5
Computers	3	3 – 4

v. Leased assets

Leasehold improvements are amortised over their useful life or the lease period, whichever is lower.

Building constructed on leasehold land are depreciated based on the useful life as stated above, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

f. Intangible assets

Intangible assets includes computer software. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

i. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

ii. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Estimated useful life (in years)
Software	3
Broadcast rights	10

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Based on technical assessment performed by management, the Group have reassessed the estimated useful lives of computer software during the current year. The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

The revised the estimated useful lives during the current year and estimated useful life used in previous financial year is as follows:

Category of Assets	Revised estimated useful life (in years)	Previous estimated useful life (in years)
Softwares	3	3 – 5

The change of the above estimate is applied during the current year.

g. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the moving weighted average formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item-by-item basis.

h. Impairment

i. Impairment of financial instruments

Financial instruments that potentially subject the Group to concentration of credit risk consist principally of cash and bank balances, short term deposits with banks, trade receivables and investment securities. The cash resources of the Group are invested banks and liquid funds after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counterparties.

The customers of the Group are primarily the retail customers based in the United States of America and United Kingdom and accordingly, trade receivables are concentrated in the respective countries. The Group periodically assesses historical bad debts and ageing of accounts receivable.

In accordance with Ind-AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The group follows ‘simplified approach’. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. In balance sheet ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i. Employee Benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share based payment transactions

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments of the ultimate holding Company (equity-settled transactions).

The cost of transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding credit to ultimate holding company, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there is also service conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

iii. Defined contribution plans

A defined contribution plan is a plan under which an entity pays fixed contributions and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions administered fund/scheme. Such contributions are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees**.**

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

j. Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Provisions for returns

Company records adjustments and allowances for sales returns. Each of these adjustments is estimated based on historical experience. Sales returns are calculated as a percent of sales and are netted against revenue.

k. Revenue

Sale of products

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from net revenue.

The Group’s general policy is to allow customers to return goods for up to thirty days after the date of delivery. An allowance for returned goods is provided at the time revenue is recorded as a percentage of sales based on historical experience.

l. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

m. Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under lease

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Balance Sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in statement of profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

For arrangements entered into prior to 1 April 2016, the date of inception is deemed to be 1 April 2016 in accordance with Ind-AS 101 First-time Adoption of Indian Accounting Standard.

n. Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

a. Sales / Value added taxes (VAT)

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

o. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred**.**

p. Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

q. Dividend

Final dividends proposed by the Board of Directors are recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

r. Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

s. Recent accounting pronouncements

<u>Standards issued but not yet effective</u>

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28th March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendments Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related assets, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1st April 2018 and the group is in process of evaluating its impact on the console financial statement.

Ind AS 115, Revenue from contracts with customers:

On 28th March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from contract with customers. The core principle of the new standard 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.

Under Ind AS 115, an entity recognizes 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.

Moreover, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April 2018. The group may adopt the standard on 1st April 2018 by using the cumulative catch-up transition method as defined under standard and accordingly, comparatives for the year ending or ended 31st March 2018 will not be retrospectively adjusted.

The group is in process of evaluating its impact on the consolidated financial statement.

4. Property plant and equipment

	Leasehold improvement	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Total
Cost or valuation						
Balance at 01 April 2016	**561,004**	**903,320**	**480,397**	**59,526**	**480,690**	**2,484,937**
Additions	1,208,153	732,326	196,239	261,143	207,980	**2,605,841**
Disposals	-	(25,974)	(22,579)	-	(94,677)	**(143,230)**
Exchange differences on translation of foreign operations	(77,407)	(197,714)	(45,804)	-	(87,099)	**(408,024)**
Balance at 31 March 2017	**1,691,750**	**1,411,958**	**608,253**	**320,669**	**506,894**	**4,539,524**
Additions	182,834	746,846	171,282	45,042	519,645	**1,665,649**
Disposals	-	(834,734)	(92,568)	-	(205,902)	**(1,133,204)**
Exchange differences on translation of foreign operations	65,159	163,243	34,450	-	64,362	**327,214**
Balance at 31 March 2018	**1,939,743**	**1,487,313**	**721,417**	**365,711**	**884,999**	**5,399,183**
Accumulated depreciation and impairment losses						
Balance at 01 April 2016	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	233,442	305,842	118,308	36,144	234,049	**927,785**
Disposals	-	(25,974)	(22,579)	-	(94,677)	**(143,230)**
Exchange differences on translation of foreign operations	(21,053)	(163,684)	(32,818)	-	(73,238)	**(290,793)**
Balance at 31 March 2017	**212,389**	**116,184**	**62,911**	**36,144**	**66,134**	**493,762**
Depreciation charge for the year	341,597	570,378	337,662	78,227	458,703	**1,786,567**
Disposals	-	(834,734)	(99,178)	-	(205,902)	**(1,139,814)**
Exchange differences on translation of foreign operations	24,787	150,762	29,094	-	56,341	**260,984**
Balance at 31 March 2018	**578,773**	**2,590**	**330,489**	**114,371**	**375,276**	**1,401,499**
Carrying amount (net)						
At 1 April 2016	561,004	903,320	480,397	59,526	480,690	**2,484,937**
At 31 March 2017	1,479,361	1,295,774	545,342	284,525	440,760	**4,045,762**
At 31 March 2018	1,360,970	1,484,723	390,928	251,340	509,723	**3,997,684**

Note:

1. The group has availed deemed cost exemption for the valuation of property, plant and equipment. Hence the net block as per Ind AS as on 01 April 2016 represents net block as per previous GAAP carrying value as on 31 March 2017

2. Based on the technical evaluation, the group has reassessed the useful life of certain property, plant and equipment. Accordingly, the useful life of certain property, plant and equipment has been revised with effect from 01 April 2017 as below:

Category of assets	Revised estimated useful life (in years)	Previous estimated useful life (in years)
Studio equipments	5	4 - 5
Computers	3	3 - 4

Had the Company continued with the previously assessed useful lives, charge for depreciation for the year ended 31 March 2018 would have been lower by USD 90,216.

5. Intangible assets

	Softwares	Broadcast rights	Total
Cost or valuation			
Balance at 01 April 2016	**4,271,063**	**1,422,402**	**5,693,465**
Additions	1,015,314	-	**1,015,314**
Disposals	(81,670)	-	**(81,670)**
Exchange differences on translation of foreign operations	(144,711)	(357,409)	**(502,120)**
Balance at 31 March 2017	**5,059,996**	**1,064,993**	**6,124,989**
Additions	578,326	-	**578,326**
Disposals	(119,111)	-	**(119,111)**
Exchange differences on translation of foreign operations	158,846	289,142	**447,988**
Balance at 31 March 2018	**5,678,057**	**1,354,135**	**7,032,192**
Accumulated depreciation and impairment losses			
At 01 April 2016	**-**	**-**	**-**
Depreciation for the year	1,992,122	143,778	**2,135,900**
Disposals	(81,670)	(177,605)	**(259,275)**
Exchange differences on translation of foreign operations	(65,870)	-	**(65,870)**
Balance at 31 March 2017	**1,844,582**	**(33,827)**	**1,810,755**
Depreciation charge for the year	1,352,714	145,885	**1,498,599**
Disposals	(119,111)	-	**(119,111)**
Exchange differences on translation of foreign operations	80,543	158,008	**238,551**
Balance at 31 March 2018	**3,158,728**	**270,066**	**3,428,794**
Carrying amount (net)			
At 01 April 2016	4,271,063	1,422,402	**5,693,465**
At 31 March 2017	3,215,414	1,098,820	**4,314,234**
At 31 March 2018	2,519,329	1,084,069	**3,603,398**

Note:

1. Based on the technical evaluation, the Group has reassessed the useful life of intangible assets. Accordingly, the following changes have been made with effect from 01 April 2017:

Category of assets	**Previous estimated useful life (in years)**
Software	3 - 5

Had the Company continued with the previously assessed useful lives and depreciation method, charge for depreciation for the year ended 31 March 2018 would have been higher by USD 672,218.

6. Non-current investments

	31 March 2018	31 March 2017	1 April 2016
Quoted investment			
Investment in equity instruments at FVOCI			
Nil (previous year 6,564,530) shares of US $ 0.0003 each fully paid up of Richland Resources Limite	-	63,610	435,255
Total quoted non-current investments	**-**	**63,610**	**435,255**
Note:-			
Aggregate amount of quoted investments and market value thereof	-	63,610	435,255

7. Financial Assets - Loans

	31 March 2018	31 March 2017	1 April 2016
Current			
Loans and advances to staff	73,625	37,975	37,889
Loans to related parties (refer note 32)	4,856,032	1,582,012	1,830,500
	4,929,657	**1,619,987**	**1,868,389**

8. Other financial assets

	31 March 2018	31 March 2017	1 April 2016
Security deposits			
Unsecured, considered good	935,073	850,625	1,231,628
	935,073	**850,625**	**1,231,628**
Current			
Interest accrued on bank deposits	-	60,017	29,331
Interest accrued on loan to related parties	1,059,044	1,059,044	1,059,044
	1,059,044	**1,119,061**	**1,088,375**

9. Other non- current assets

	31 March 2018	31 March 2017	1 April 2016
Advance income tax	-	754,925	138,416
Capital advances	3,000	167,394	1,325,745
	3,000	**922,319**	**1,464,161**

10. Inventories

	31 March 2018	31 March 2017	1 April 2016
Stock - in - trade #	23,328,752	20,650,366	18,733,463
	23,328,752	**20,650,366**	**18,733,463**

Includes goods-in-transit as at 31 March 2018: Rs. 2,245.42 lacs (31 March 2017: Rs. 2,263.89 lacs; 01 April 2016: Rs. 1,189.09 lacs)

11. Trade receivables

	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good	13,475,753	7,781,592	3,525,589
Doubtful	1,340,607	206,854	54,357
	14,816,360	7,988,446	3,579,946
Less: Provision for doubtful debts	(1,340,607)	(206,854)	(54,357)
	13,475,753	**7,781,592**	**3,525,589**

12. Cash and cash equivalent

	31 March 2018	31 March 2017	1 April 2016
A. Balances with banks:			
Balance with bank current account	2,748,774	7,924,920	5,513,980
Cash on hand	12,588	4,612	12,205
	2,761,362	**7,929,532**	**5,526,185**
B. Balances other then cash and cash equivalents			
Bank deposits - pledged	140,670	125,365	144,220
	140,670	**125,365**	**144,220**

13. Other Current Assets

	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good			
Advances other than capital advances			
Advances to suppliers	223,872	38,402	-
Others			
Prepaid expenses	2,140,592	2,580,950	3,112,695
Other advances	-	-	481,877
	2,364,464	**2,619,352**	**3,594,572**

14A. Share capital

	31 March 2018	31 March 2017	1 April 2016
a.) Authorised			
50,000,000 (31 March 2017: 50,000,000 and 01 April 2016: 50,000,000) equity shares of USD 1 each	50,000,000	50,000,000	50,000,000
Issued, subscirbed and fully paid up			
46,821,633 (31 March 2017: 46,821,633 and 01 April 2016: 46,821,633) equity shares of USD 1 each	46,821,633	46,821,633	46,821,633
	46,821,633	**46,821,633**	**46,821,633**

Reconciliation of number of shares outstanding at the beginning and at the end of financial year:

	31 March 2018		31 March 2017	
	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of year	46,821,633	46,821,633	46,821,633	46,821,633
Shares issued during the year	-	-	-	-
Number of shares at the end of year	**46,821,633**	**46,821,633**	**46,821,633**	**46,821,633**

b.) Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of USD 1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c.) Details of shareholding more than 5% shares in the Company:

	31 March 2018		31 March 2017		1 April 2016	
Name of the shareholder	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares
Vaibhav Global Limited	100	46,821,633	100	46,821,633	100	46,821,633

d.) The ultimate holding company is Vaibhav Global Limited.

e.) There are no bonus shares, shares issued for consideration other than cash or shares bought back during the period of five years immediately preceding the reporting date.

14B. Other equity

	31 March 2018	31 March 2017
a). Reserves & surplus		
Retained earnings		
Opening balance	(22,489,171)	(27,071,101)
Net profit for the year	9,925,282	4,581,930
Closing balance	**(12,563,889)**	**(22,489,171)**
b). Items of other comprehensive income (net of tax)		
FVTOCI reserve		
Opening balance	(302,022)	-
Movement during the year	(47,558)	(302,022)
Closing balance	**(349,580)**	**(302,022)**
Foreign currency translation reserve		
Opening balance	(318,909)	-
Movement during the year	599,469	(318,909)
Closing balance	**280,560**	**(318,909)**

14C. Nature of reserves

a. Retained earnings
Retained earnings comprises of prior years undistributed earnings after taxes.

15. Borrowings

	31 March 2018	31 March 2017	1 April 2016
Non-current borrowings:			
Term loan			
From bank			
Secured bank loan	-	-	323,273
Total non-current borrowings	**-**	**-**	**323,273**
Current borrowings:			
Loan repayable on demand (from bank)			
Bank overdraft	-	1,598,667	2,057,528
Loan from related parties (refer note 32)	150,000	150,000	150,000
Current maturities of long term loans			
Secured bank loan	-	280,948	431,031
Total current borrowings	150,000	2,029,615	2,638,559
Less: Amount clubbed under “other financial liabilities"	-	(280,948)	(431,031)
Net current borrowings	**150,000**	**1,748,667**	**2,207,528**

Notes

1. Information about group exposure to interest rate foreign currency and liquidity risk is given in note 34.
2. Terms of borrowings and repayment schedule

A. Terms and repayment schedule

Particulars	Currency	Nominal interest rate	Year of maturity	Carrying amount at 31 March 2018	Carrying amount at 31 March 2017	Carrying amount at 01 April 2016
Secured bank loan	GBP	LIBOR + 5%	2017 - 18	-	280,948	754,304

B. Nature of security

1. Secured bank loan

(i) First charge on EPG licence on British Sky Broadcasting.
(ii) Additionally secured by Corporate guarantee of the immediate parent Company as well as ultimate parent Company.

2. Overdraft facilities in The Jewellery Channel Limited, UK:

(i) First ranking charge over the inventory of finished goods including stock in transit and counter indemnity of the Company for non fund based (bank guarantee) facility.
(ii) Additionally secured by corporate guarantee of the immediate parent Company as well as ultimate parent Company.

Aggregate secured loans	-	1,879,615	2,811,832
Aggregate unsecured loans	150,000	150,000	150,000

16. Other current financial liabilities

	31 March 2018	31 March 2017	1 April 2016
Other current financial liabilities at amortised cost			
Current maturities of long term borrowing	-	280,948	431,031
Interest accrued on borrowings	-	-	23,746
Total other current financial liabilities at amortised cost	**-**	**280,948**	**454,777**

17. Provisions

	31 March 2018	31 March 2017	1 April 2016
A. Current			
Other provision			
Provision for returns	2,101,964	2,054,771	1,609,197
Provision for lease equalisation	140,686	167,204	138,950
Total other current provisions	**2,242,650**	**2,221,975**	**1,748,147**
B. Non - current			
Other provision			
Provision for lease equalisation	187,581	235,014	272,557
Total other non-current provisions	**187,581**	**235,014**	**272,557**
Current	2,242,650	2,221,975	1,748,147
Non-current	187,581	235,014	272,557

	Provision for returns		Provision for lease equalisation	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Opening balance at the beginning of the year	2,054,771	1,609,197	402,218	411,507
Provision made during the year	47,193	445,574	-	-
Provision utilised during the year	-	-	(73,951)	(9,289)
Closing balance at the end of the year	**2,101,964**	**2,054,771**	**328,267**	**402,218**

18. Other current liabilities

	31 March 2018	31 March 2017	1 April 2016
Advance from customers	1,027,710	2,045,748	988,792
Statutory dues payable	865,538	741,909	515,655
Other liabilities	6,667	89,610	29,518
Total other current liabilities	**1,899,915**	**2,877,267**	**1,533,965**

19. Revenue from operations:

	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products	214,716,830	186,914,541
Foreign exchange gain	2,164	-
Total	**214,718,994**	**186,914,541**

20. Other income

	Year ended 31 March 2018	Year ended 31 March 2017
Interest	252,609	408,930
Liabilities no longer required written back	-	32,913
Miscellaneous income	1,093,399	1,724,808
Total	**1,346,008**	**2,166,651**

21. Change in inventory of stock-in-trade

	Year ended 31 March 2018	Year ended 31 March 2017
At the beginning of the year	20,650,366	18,733,463
At the end of the year	23,328,752	20,650,366
Loss on translation of stock at average rate	1,012,017	-
Decrease in stock-in-trade	**(1,666,369)**	**(1,916,903)**

22. Employee benefits expense

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	27,450,440	23,439,845
Contribution to employee benefits	4,382,013	3,589,782
Share based payments	227,393	209,589
Staff welfare expenses	291,251	260,379
Recruitment and training	298,618	404,871
	32,649,715	**27,904,466**

23. Finance costs

	Year ended 31 March 2018	Year ended 31 March 2017
Interest on debts and borrowings	61,821	118,958
Other borrowing costs	72,308	71,547
	134,129	**190,505**

24. Depreciation and amortisation expense

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation expense	1,786,567	927,785
Amortisation expense	1,498,599	2,135,900
	3,285,166	**3,063,685**

25. Other expense

	Year ended 31 March 2018	Year ended 31 March 2017
a. Direct Expenses		
Other direct / manufacturing expenses	1,370,169	1,271,389
	1,370,169	**1,271,389**
b. Administrative & Selling Expenses		
Rent	1,273,979	1,445,142
Rates and taxes	822,452	724,798
Insurance	321,708	283,777
Travelling and conveyance	952,246	667,053
Legal and professional fees	1,673,870	1,215,926
Postage and telephone	1,655,744	1,849,098
Printing and stationery	152,098	147,199
Repairs and maintenance - others	249,066	219,155
Donation - Corporate Social Responsibility	232,492	30,504
Advertising and sales promotion	1,436,759	1,543,452
Security expenses	677,914	647,368
Payment to auditor	2,734	6,150
Exchange loss (net)	-	130,426
Bad debts	119,520	913,185
Allowances for doubtful debts and advances	1,043,194	265,411
Content and broadcasting	33,867,095	38,695,926
Call handling and collection charges	9,003,219	8,126,564
Packing and distribution charges	15,510,586	12,761,702
Information technology expenses	2,816,279	2,370,751
Miscellaneous expenses	947,198	1,076,624
	72,758,153	**73,120,211**
Total	**74,128,322**	**74,391,600**

Payment to auditors

	Year ended 31 March 2018	Year ended 31 March 2017
Audit fees	1,953	6,150
Other services	-	-
Reimbursement of expenses	781	-
	2,734	**6,150**

26. Tax expenses

A. Income tax charged to statement of profit and loss

	Year ended 31 March 2018	Year ended 31 March 2017
Current tax	2,421,407	50,571
Current tax earlier year	-	(424,510)
	2,421,407	**(373,939)**
Deferred tax		
Attributable to: Original and reversal of temporary differences	(1,200,864)	(582,783)
	1,220,543	**(956,722)**

B. Reconciliation of effective tax rate

	Year ended 31 March 2018		Year ended 31 March 2017	
	%	Amount	%	Amount
Profit before tax		**11,145,825**		**3,625,208**
Tax expense as per statutory income tax rates	0.00%	-	0.00%	-
Difference between Genoa and foreign tax rates	25.82%	2,877,517	31.49%	1,141,666
Employee stock compensation cost	0.58%	65,036	1.66%	60,153
Income tax adjustment related to earlier year	0.00%	-	-11.71%	(424,510)
Recognition of deferred tax asset on previous year ta	-12.48%	(1,390,947)	-42.26%	(1,532,186)
Others	-2.97%	(331,063)	-5.57%	(201,846)
	10.95%	**1,220,543**	**-26.39%**	**(956,722)**

C. Recognised deferred tax assets

Deferred tax assets are attributable to the following:

	31 March 2018	31 March 2017	1 April 2016
Property, plant and equipment	165,248	(428,499)	75,107
Provision-employee benefits	-	47,548	37,622
Other items	250,850	697,939	772,450
Tax losses carried forward	3,670,221	2,619,322	1,468,349
	4,086,319	**2,936,310**	**2,353,528**

D. Movement in temporary differences

	Property, plant and equipment	Provision-employee benefits	Other items	Tax losses carried forward	Total
Balance at 01 April 2016	**75,107**	**37,622**	**772,450**	**1,468,349**	**2,353,528**
Recognised in profit and lo	(503,606)	9,926	(74,511)	1,150,973	582,782
Balance as at 31 March 2	**(428,499)**	**47,548**	**697,939**	**2,619,322**	**2,936,310**
Recognised in profit and lo	593,747	(47,548)	(447,089)	1,050,899	1,150,009
Balance as at 31 March 2	**165,248**	**-**	**250,850**	**3,670,221**	**4,086,319**

E. Tax losses carried forward

UK entity has unused carried forward tax losses of USD 6,420,515 (31 March 2017: USD 8,671250; 01 April 2016: USD 10,485,219) available to reduce future current income taxes. Unused tax losses does not expire.

USA entities has unused carried forward tax losses of USD 11,910,371 (31 March 2017: USD 14,158,982; 01 April 2016: USD 15,425,599) available to reduce future current income taxes. If not used, unused tax losses will expire in financial year 2024, 2028 and 2029 respectively.

27. Earning per share

	Year ended 31 March 2018	Year ended 31 March 2017
Basic and Diluted earning per share		
The calculation of profit attributable to equity shareholders and weighted average numbers of equity shares outstanding for purpose of basic and diluted earning per share calculation are as follows		
i. Profit attributable to equity holders	9,925,282	4,581,930
ii. Weighted average number of Equity shares for basic EPS		
Opening balance	46,821,633	46,821,633
Effect of share options exercised	-	-
Weighted average number of equity shares	**46,821,633**	**46,821,633**
iii. Basic and diluted earning per share	0.21	0.10

28. Share-based payments

a.) VGL ESOP (As Amended) - 2006

Employees of the Group participates in the Stock Option Plan -2006 established by the ultimate parent company (Vaibhav Global Limited), whereby employees render services as consideration for equity instruments (equity-settled transactions). The Nomination and Remuneration Committee of the ultimate parent decides upon the eligibility of employees and the number of options to be issued. The exercise price of the share options shall be the market price which would be the latest available closing price of the shares on the stock exchange, which records the highest trading volume of the ultimate parent Company's shares on the date prior to date of meeting of the Nomination and Remuneration Committee at which the options are granted. Out of stock option granted, 20% stock option will vest at the end of one year from the date of Grant, 30% at the end of the second year and balance 50% at the end of third year.

The fair value of the share options is estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest. The exercise period for all the options under various tranches is 7 years from the date of vesting.

The ESOP cost is recharged by the ultimate parent company and charged to Statement of Profit and Loss of the Group over the vesting period. The ultimate holding Company has constituted “ Vaibhav Global Employee Stock Option Welfare Trust” to administer & implement various VGL ESOP schemes.

b.) Reconciliation of outstanding share options:-

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	31 March 2018		31 March 2017	
	Number	**WAEP (Rs.)**	**Number**	**WAEP (Rs.)**
Outstanding at beginning of the year	433,358	432.80	240,068	554.70
Granted during the year	130,194	547.38	233,872	308.04
Forfeited during the year	(39,978)	469.31	(27,155)	627.53
Exercised during the year *	(6,458)	91.05	(13,427)	45.30
Outstanding at the end of the year	**517,116**	**463.10**	**433,358**	**432.80**

The following tables list the inputs to the models used for the three series for the years ended 31 March 2018 and 31 March 2017, respectively:

	31 March 2018			31 March 2017		
Series	**R**	**S**	**T**	**O**	**P**	**Q**
Stock price of option as on Grant Date	544.15	633.55	773.20	284.45	311.55	307.35
Exercise price of option	544.15	633.55	773.20	284.45	311.55	307.35
Risk free rate	6.46% to 6.50%	6.82% to 6.91%	6.82% to 6.91%	7.41% to 7.46%	6.68% to 6.70%	6.52% to 6.57%
Volatility	44.39% to 49.28%	44.42% to 49.10%	44.39% to 48.41%	49.94% to 55.35%	48.55% to 52.24%	48.55% to 52.24%

c.) The expense recognised for employee services received during the year is shown in the following table:

	31 March 2018	31 March 2017
	Rs. lacs	**Rs. lacs**
Expense arising from equity-settled share-based payment transactions	227,393	209,589
Total expense arising from share-based payment transactions	**227,393**	**209,589**

There were no cancellations or modifications to the awards in 31 March 2018 and 31 March 2017.

29. Lease commitments

The Group has entered into operating leases on certain office and other premises, with lease terms between one to ten years. These non-cancellable operating leases have various expiry dates. The total future minimum lease payments (excluding certain escalations) in this respect are as follows:

The group has paid USD 1,273,979 (31 March 2017: USD 1,445,142) during the year towards minimum lease payment.

With respect to non cancellable operating lease, the future minimum lease payments as at balance sheet date is as under :

	31 March 2018	31 March 2017	01 April 2016
Not later than one year	1,402,444	1,525,445	1,518,911
Later than one year & not later than five year	3,317,724	2,621,549	3,323,912
Later than five year	-	478,811	1,021,225
	4,720,168	**4,625,805**	**5,864,048**

30. Segment reporting

As per Ind AS 108 'Operating Segments', the Company has disclosed the segment information only as part of the consolidated financial statements of Vaibhav Global Limited (ultimate holding company).

31. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt (total borrowings net of cash and cash equivalents and other bank balances divided by total 'equity' (as shown in the Balance Sheet).

	31 March 2018	31 March 2017	01 April 2016
Borrowings (refer note 15)	150,000	1,748,667	2,530,801
Cash and cash equivalents (refer note 12)	(2,761,362)	(7,929,532)	(5,526,185)
Bank balances other than above (refer note 12)	(140,670)	(125,365)	(144,220)
Net debt	**(2,902,032)**	**(8,054,897)**	**(5,670,405)**
Equity share capital	46,821,633	46,821,633	46,821,633
Other equity	(12,632,909)	(23,110,102)	(27,071,101)
Total equity	**34,188,724**	**23,711,531**	**19,750,532**
Net debt to equity ratio	**(0.08)**	**(0.34)**	**(0.29)**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

32. List of related parties :

i) List of related parties and relationships:

A. Ultimate holding company

Vaibhav Global Limited

B. Fellow subsidiary companies

1. STS Jewels Inc. USA
2. STS Gems Japan Limited
3. STS Gems Limited, Hong Kong
4. PT STS Bali
5. STS Gems Thai Limited

C. Key management personnel (KMP) :

1. Mr. Sunil Agrawal - Chairman & Managing Director

D. Relatives of key management personnel

1. Mrs. Deepti Agarwal
2. Mr. Ghanshyam Agarwal
3. Smt. Sheela Agarwal
4. Mr. Hursh Agarwal
5. Master Neil Agarwal
6. Mr. Sanjeev Agarwal
7. Mrs. Renu Raniwala

ii) (a) Details of related party transactions:

Type of transaction	Vaibhav Global Limited	STS Jewels Inc. USA	STS Gems Japan Limited	STS Gems Limited, Hong Kong	PT STS Bali	STS Gems Thai Limited	Total
Transactions during the year ending 31 March 2018:							
Sale of goods	379,367	177,488	-	21,760	-	38,806	617,421
Purchase of goods	47,819,438	2,356,482	-	23,505,464	2,577,079	5,047,921	81,306,385
Interest Income	-	-	-	-	-	-	-

Type of transaction	Vaibhav Global Limited	STS Jewels Inc. USA	STS Gems Japan Limited	STS Gems Limited, Hong Kong	PT STS Bali	STS Gems Thai Limited	Total
Transactions during the year ending 31 March 2017:							
Sale of goods	383,069	90,108	-	50,236	-	-	523,413
Purchase of goods	53,366,296	1,655,371	-	18,112,637	700,378	4,532,052	78,366,735
Expenses reimbursement	120,590	-	-	-	-	-	120,590
Interest income	-	-	-	51,711	-	-	51,711
Interest paid	-	-	-	-	-	7,500	7,500

(b) Details of balances with related party:

Type of transaction	Vaibhav Global Limited	STS Jewels Inc. USA	STS Gems Japan Limited	STS Gems Limited, Hong Kong	PT STS Bali	STS Gems Thai Limited	Total
Balances as at year end 31 March 2018:							
Amount receivable	365,192	1,211,896	-	-	-	77,613	1,654,701
Amount payable	1,386,262	3,241,942	-	786,853	18,992	222,421	5,656,469
Loan receivable	-	730,000	2,110	4,123,922	-	-	4,856,032
Loan payable	-	-	-	-	-	150,000	150,000

Type of transaction	Vaibhav Global Limited	STS Jewels Inc. USA	STS Gems Japan Limited	STS Gems Limited, Hong Kong	PT STS Bali	STS Gems Thai Limited	Total
Balances as at year end 31 March 2017:							
Amount receivable	111,913	2,330,665	-	-	-	-	2,442,578
Amount payable	11,692,779	174,555	-	2,927,761	177,523	470,226	15,442,844
Loan receivable	-	730,000	1,510	850,502	-	-	1,582,012
Loan payable	-	-	-	-	-	150,000	150,000

Type of transaction	Vaibhav Global Limited	STS Jewels Inc. USA	STS Gems Japan Limited	STS Gems Limited, Hong Kong	PT STS Bali	STS Gems Thai Limited	Total
Balances as at year end 01 April 2016:							
Amount receivable	16,986	1,699,638	-	-	-	-	1,716,624
Amount payable	11,294,765	316,902	-	2,514,600	104,754	186,649	14,417,671
Loan receivable	-	730,000	500	1,100,000	-	-	1,830,500
Loan payable	-	-	-	-	-	150,000	150,000

(c) Details of related party transactions with key management personnel (including relative):

Type of transaction	Amount
Transaction during the year ending :	
Remuneration	
- 31 March 2018	339,077
- 31 March 2017	201,000

33. Fair Value measurements

(i) Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts are set out below:

As on 31 March 2018	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Fair Value
Financial assets					
Cash and cash equivalents	-	-	2,761,362	2,761,362	2,761,362
Bank balance other than above	-	-	140,670	140,670	140,670
Loans- current	-	-	4,929,657	4,929,657	4,929,657
Trade receivables	-	-	13,475,753	13,475,753	13,475,753
Other non current financial asset	-	-	935,073	935,073	935,073
	-	**-**	**22,242,515**	**22,242,515**	**22,242,515**
Financial liabilities					
Borrowings	-	-	150,000	150,000	150,000
Trade payables	-	-	21,339,047	21,339,047	21,339,047
	-	**-**	**21,489,047**	**21,489,047**	**21,489,047**

As on 31 March 2017	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Fair Value
Financial assets					
Cash and cash equivalents	-	-	7,929,532	7,929,532	7,929,532
Bank balance other than above	-	-	125,365	125,365	125,365
Loans- current	-	-	1,619,987	1,619,987	1,619,987
Trade receivables	-	-	7,781,592	7,781,592	7,781,592
Other current financial asset	-	-	1,119,061	1,119,061	1,119,061
Other non current financial asset	-	-	850,625	850,625	850,625
Non - current investments	-	63,610	-	63,610	63,610
	-	**63,610**	**19,426,162**	**19,489,772**	**19,489,772**
Financial liabilities					
Borrowings	-	-	1,748,667	1,748,667	1,748,667
Trade payables	-	-	23,902,713.00	23,902,713	23,902,713
Other current financials liabilities	-	-	280,948	280,948	280,948
	-	**-**	**25,932,328**	**25,932,328**	**25,932,328**

As on 01 April 2016	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value	Fair Value
Financial assets					
Cash and cash equivalents	-	-	5,526,185	5,526,185	5,526,185
Bank balance other than above	-	-	144,220	144,220	144,220
Loans- current	-	-	1,868,389	1,868,389	1,868,389
Trade receivables	-	-	3,525,589	3,525,589	3,525,589
Other current financial asset	-	-	1,088,375	1,088,375	1,088,375
Other non current financial asset	-	-	1,231,628	1,231,628	1,231,628
Non - current investments	-	435,255	-	435,255	435,255
	-	**435,255**	**13,384,386**	**13,819,641**	**13,819,641**
Financial liabilities					
Borrowings	-	-	2,530,801	2,530,801	2,530,801
Trade payables	-	-	21,852,988	21,852,988	21,852,988
Other current financials liabilities	-	-	454,777	454,777	454,777
	-	**-**	**24,838,566**	**24,838,566**	**24,838,566**

(ii) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

a) Level 1:

Level 1 hierarchy includes financial instrument measured using quoted prices. This includes listed equity instruments that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period end.

b) Level 2:

If inputs required to fair value an instrument other than quoted prices included within Level 1 are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices), the instruments are included in Level 2.

c) Level 3:

If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3.

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

Financial Instruments	As at 31 March 2018		
	Level 1	Level 2	Level 3
Financial assets			
Investments (Quoted)	-	-	-
Total	-	-	-

Financial Instruments	As at 31 March 2017		
	Level 1	Level 2	Level 3
Financial assets			
Investments (Quoted)	63,610	-	-
Total	**63,610**	**-**	**-**

Financial Instruments	As at 01 April 2016		
	Level 1	Level 2	Level 3
Financial assets			
Investments (Quoted)	435,255	-	-
Total	**435,255**	**-**	**-**

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with income approach, unless the carrying value is considered to approximate to fair value.
- Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments.

34. Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Group and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in respective notes.

Risk management framework

The Group being driven by the market forces, its businesses are subject to several risks and uncertainties including financial risks. The Group's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to, in the course of their daily operations.

The risk management policies cover areas around all identified business risks including commodity price risk, foreign exchange risk etc., Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Group has in place risk management processes in line with the Group's policy. Each significant risk has an owner, who coordinates the Risk Management Process.

The risk management framework aims to:

- Better understand our risk profile;
- Understand and better manage the uncertainties which impact our performance;
- Contribute to safeguarding Group value and interest of various stakeholders;
- Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk; and
- Improve compliance with good corporate governance guidelines and practices as well as laws and regulations.
- Improve financial returns

Treasury management

The Group's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury operates as per the delegation of authority from the Board. Day-to-day treasury operations are managed by Group's finance team. Long-term fund raising including strategic treasury initiatives are handled by a Treasury team. A monthly reporting system exists to inform senior management of investments, debt, currency. The Group has a strong system of internal control which enables effective monitoring of adherence to Group's policies.

Financial Risk

The Group's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Group does not engage in speculative treasury activity but seeks to manage risk and optimise interest through proven financial instruments.

(a) Liquidity

The Group requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Group generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term.

The Group remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening balance sheet. The maturity profile of the Group's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group.

	As on 31 March 2018			
	< 1 Year	**1 - 3 Year**	**>3 Year**	**Total**
Current borrowings	150,000	-	-	150,000
Trade and other payables	21,339,047	-	-	21,339,047
Total	**21,489,047**	**-**	**-**	**21,489,047**

	As on 31 March 2017			
	< 1 Year	**1 - 3 Year**	**>3 Year**	**Total**
Current borrowings	1,748,667	-	-	1,748,667
Trade and other payables	23,902,713	-	-	23,902,713
Other financials liabilities	280,948	-	-	280,948
Total	**25,932,328**	**-**	**-**	**25,932,328**

	As on 01 April 2016			
	< 1 Year	**1 - 3 Year**	**>3 Year**	**Total**
Non - current borrowings	-	323,273	-	323,273
Current borrowings	2,207,528	-	-	2,207,528
Trade and other payables	21,852,988	-	-	21,852,988
Other financials liabilities	454,777	-	-	454,777
Total	**24,515,293**	**323,273**	**-**	**24,838,566**

Collateral

The UK subsidiary has hypothecated its inventory including stock-in-transit in order to fulfil the collateral requirements for the financial facilities in place. There are no other significant terms and conditions associated with the use of collateral.

(b) Foreign exchange risk

The Group is exposed to foreign exchange risk arising primarily from US Dollar and EURO. The Group is subject to the risk that changes in foreign currency values impact the Group exports revenue and purchases from overseas suppliers in foreign currency and foreign currency denominated borrowings.

The exchange rate between USD and GBP has impact on results of the Group's operations. Consequently, the results of the Group's operations get affected as the GBP appreciates/ deprecites against USD.

The Group is also exposed to foreign exchange risk on its exports and foreign exchange risk on its net investment in foreign operations. Most of these transactions are denominated in US dollars.

The exchange rate risk is reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the statements of profit or loss and statements of comprehensive income.

The summary of exposure of financial assets and liablities to the currency risk is as follows:

	Financial assets		
	31 March 2018	**31 March 2017**	**01 April 2016**
GBP to USD	26,476	33,587	1,785.00

	Financial liabilities		
	31 March 2018	**31 March 2017**	**01 April 2016**
GBP to USD	45,243	117,100	-
GBP to EURO	-	16,496	-

(c) Interest rate risk

	31 March 2018	**31 March 2017**	**01 April 2016**
Floating rate financial liabilities	-	1,598,667	2,380,801

Interest rate sensitivity

The table below illustrates the impact of a 0.5% to 1.50% movement in interest rates on interest expense on loans and borrowings. The risk estimate provided assumes that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

Movement in interest rates	**Year ended 31 March 2018**	**Year ended 31 March 2017**
0.50%	5,376	10,344
1.00%	10,751	20,688
1.50%	16,127	31,033

(d) Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks, short-term investments, foreign exchange transactions and other financial assets. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade rceviables

Customer credit risk is managed by each business unit subject to the Group’s established policy, procedures and control relating to customer credit risk management. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale or end-user customer, their geographic location, trade history with the Group. An impairment analysis is performed quarterly on an individual basis for wholesale customers and collectively for large number of end-user customers. The calculation is based on historical experience/ current facts available in relation to default and delays in collection thereof.

Concentration of credit risk with respect to trade receivables are limited, due to the Group’s customer base being large and diverse. The management historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets. Refer note 11 for exposure to trade receviables.

35. Explanation of transition to Ind AS

As stated in note 2 these are the first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Group had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in note 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its opening Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Group has applied the below mentioned optional exemption and mandatory exemptions.

A. Optional exemptions availed

1. Business combinations

Ind AS 103, "Business Combinations" has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1 April 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Group recognises all assets acquired and liabilities assumed in a past business combination. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

2. Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. The carrying values of property, plant and equipment as aforesaid are after making adjustments relating to decommissioning liabilities, if any.

3. Cumulative translation differences

As per Ind AS 101, an entity may deem that the cumulative translation differences for all foreign operations to be zero as at the date of transition by transferring any such cumulative differences to retained earnings.

The Group has elected to avail of the above exemption.

4. Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

The Group has elected to avail of the above exemption.

5. Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

The Group has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition.

B. Mandatory exceptions applied

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

1. Estimates

The Group's estimates in accordance with Ind ASs at the transition date to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 and at 31 March 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

As per Ind AS 101, where application of Ind AS, requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair value of financial instrument carried at FVOCI.

- Impairment of financial assets based on the expected credit loss model.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly the Group has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Reconciliations:

The following reconciliations provide a quantification of the effect of the transition to Ind AS from Previous GAAP in accordance with Ind AS 101:

- Equity as at 1 April 2016 (transition date)
- Equity as at 31 March 2017
- Total comprehensive income for the period ended 31 March 2017

Reconciliation of equity as at 1 April 2016 (date of transition to Ind AS)

	Notes	Previous GAAP *	Adjustments on transition to Ind AS	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		2,484,937	-	2,484,937
Other Intangible assets		5,693,465	-	5,693,465
Financial assets				
Investments		435,255	-	435,255
Others		1,231,628	-	1,231,628
Deferred tax assets (net)	(vii)	736,755	1,616,773	2,353,528
Other non-current assets		1,464,161	-	1,464,161
Total non-current assets		**12,046,201**	**1,616,773**	**13,662,974**
Current assets				
Inventories		17,027,109	1,706,354	18,733,463
Financial assets				
Trade receivables	(iv)	3,579,946	(54,357)	3,525,589
Cash and cash equivalent		5,526,185	-	5,526,185
Bank balances other than above		144,220	-	144,220
Loans		1,868,389	-	1,868,389
Others		29,331	1,059,044	1,088,375
Other current assets		3,594,572	-	3,594,572
Total current assets		**31,769,752**	**2,711,041**	**34,480,793**
Total assets		**43,815,953**	**4,327,814**	**48,143,767**
Equity and liabilities				
Equity				
Equity share capital		46,821,633	-	46,821,633
Other equity	(ix)	(29,228,219)	2,157,118	(27,071,101)
Total equity		**17,593,414**	**2,157,118**	**19,750,532**
Non-current liabilities				
Financial liabilities				
Borrowings		323,273	-	323,273
Provisions	(v)	-	272,557	272,557
Total non-current liabilities		**323,273**	**272,557**	**595,830**
Current liabilities				
Financial liabilities				
Borrowings		2,207,528	-	2,207,528
Trade payables		21,189,336	663,652	21,852,988
Other financial liabilities		454,777	-	454,777
Provisions	(v)	513,660	1,234,487	1,748,147
Other current liabilities		1,533,965	-	1,533,965
Total current liabilities		**25,899,266**	**1,898,139**	**27,797,405**
Total liabilities		**26,222,539**	**2,170,696**	**28,393,235**
Total equity and liabilities		**43,815,953**	**4,327,814**	**48,143,767**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation required for this note.

Reconciliation of equity as at 31 March 2017

	Notes	Previous GAAP *	Adjustments on transition to Ind AS	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		4,045,762	-	4,045,762
Other Intangible assets		4,314,234	-	4,314,234
Financial assets				
Investments	(i)	365,632	(302,022)	63,610
Others		850,625	-	850,625
Deferred tax assets (net)	(vii)	100,153	2,836,157	2,936,310
Other non-current assets		922,319	-	922,319
Total non-current assets		**10,598,725**	**2,534,135**	**13,132,860**
Current assets				
Inventories		19,021,502	1,628,864	20,650,366
Financial assets				
Trade receivables	(iv)	7,988,446	(206,854)	7,781,592
Cash and cash equivalent		7,929,532	-	7,929,532
Bank balances other than above		125,365	-	125,365
Loans		1,619,987	-	1,619,987
Other financial assets		60,017	1,059,044	1,119,061
Other current assets		2,619,352	-	2,619,352
Total current assets		**39,364,201**	**2,481,054**	**41,845,255**
Total assets		**49,962,926**	**5,015,189**	**54,978,115**
Equity and liabilities				
Equity				
Equity share capital		46,821,633	-	46,821,633
Other equity	(ix)	(25,491,272)	2,381,170	(23,110,102)
Total equity		**21,330,361**	**2,381,170**	**23,711,531**
Non-current liabilities				
Financial liabilities				
Borrowings		-	-	-
Provisions	(v)	-	235,014	235,014
Total non-current liabilities		**-**	**235,014**	**235,014**
Current liabilities				
Financial liabilities				
Borrowings		1,748,667	-	1,748,667
Trade payables	(ii)	23,029,472	873,241	23,902,713
Other financial liabilities		280,948	-	280,948
Provisions	(v)	696,209	1,525,766	2,221,975
Other current liabilities		2,877,267	-	2,877,267
Total current liabilities		**28,632,563**	**2,399,007**	**31,031,570**
Total liabilities		**28,632,563**	**2,634,021**	**31,266,584**
Total equity and liabilities		**49,962,924**	**5,015,191**	**54,978,115**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation required for this note.

Group reconciliation of profit or loss for the year ended 31 March 2017

	Footnotes	Previous GAAP *	Adjustments on transition to Ind AS	Ind AS
Revenue from operations		187,177,567	(263,026)	186,914,541
Other income	(i)	2,166,651	-	2,166,651
Total Income		**189,344,218**	**(263,026)**	**189,081,192**
Purchases of Stock-in-trade		81,822,631	-	81,822,631
Change in inventories of Stock-in-Trade		(1,994,390)	77,487	(1,916,903)
Employee benefits expense	(ii)	27,694,877	209,589	27,904,466
Finance costs		190,505	-	190,505
Depreciation and amortization expense		3,063,685	-	3,063,685
Other expenses	(iv) and (v)	74,248,390	143,210	74,391,600
Total expense		**185,025,698**	**430,286**	**185,455,984**
Profit before tax		**4,318,520**	**(693,312)**	**3,625,208**
Income tax expense	(vii)	262,662	(1,219,384)	(956,722)
Profit for the year		**4,055,858**	**526,072**	**4,581,930**
Other comprehensive income				
Items that will be reclassified to profit or loss		-	(302,022)	(302,022)
Income tax relating to items that will be reclassified to profit or loss		-	-	-
		-	**(302,022)**	**(302,022)**
Items that will not be reclassified to profit or loss		-	(318,909)	(318,909)
Income tax relating to items that will not be reclassified to profit or loss		-	-	-
		-	**(318,909)**	**(318,909)**
Of the total comprehensive income above				
- Profit for the year attributable to owners of the parent		4,055,858	526,072	4,581,930
- Other comprehensive income attributable to owners of the parent		-	(620,931)	(620,931)

* The previous GAAP figures have been reclassified to conform to Ind AS presentation required for this note.

Notes to the reconciliation

i. Fair valuation of investments

In accordance with Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries, have been fair valued. The Group has designated certain investments classified as fair value through other comprehensive income as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in investments being carried at cost.

The impact arising from the change is summarized as follows:

Consolidated statement of profit and loss	Year ended 31 March 2017
OCI:	
Financial asset at fair value through OCI – net change in fair value	302,022
Adjustment before income tax	**302,022**

Consolidated balance sheet	As at 1 April 2016	As at 31 March 2017
Investments - financial assets at FVTOCI	-	302,022
Adjustment to retained earnings	**-**	**302,022**

ii. Share-based payments measurement

Under Indian GAAP, the Group recognised only the intrinsic value for the share-based payments plan as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

The impact arising from the change is summarised as follows:

Consolidated statement of profit and loss	Year ended 31 March 2017
Employee benefits expense	209,589
Adjustment before income tax	**209,589**

Consolidated balance sheet	As at 1 April 2016	As at 31 March 2017
Trade payables – related parties	663,652	873,241
Adjustment to retained earnings	**663,652**	**873,241**

iii. Cumulative translation reserves

In accordance with Ind AS 101, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

The impact arising from the change is summarised as follows:

Consolidated balance sheet	**As at 1 April 2016**	**As at 31 March 2017**
Exchange differences on translating the financial statements of foreign operations	3,131,206	2,812,297
Adjustment to retained earnings	**3,131,206**	**2,812,297**

iv. Loss allowance

On transition to Ind AS, the Group has recognised impairment loss on trade receivables measured at amortised cost as based on the expected credit loss model as required by Ind AS 109. Consequently, trade receivables measured at amortised cost have been reduced with a corresponding decrease in retained earnings on the date of transition and there has been an incremental provision for the year ended 31 March 2017.

The impact arising from the change is summarised as follows:

Consolidated statement of profit and loss	**Year ended 31 March 2017**
Loss allowance on trade receivables	152,497
Adjustment before income tax	**152,497**

Consolidated balance sheet	**As at 1 April 2016**	**As at 31 March 2017**
Trade receivables	54,357	206,854
Related tax effect	(18,481)	(70,330)
Adjustment to retained earnings	**35,876**	**136,524**

v. Provisions

Under IGAAP, since use of the land is not included in lease standard, thus there was no material impact on straight lining of lease premium. Under Ind AS 17, as lease includes lease of land too, thus straight lining of lease premium is done accordingly.

The impact arising from the change is summarised as follows:

Consolidated statement of profit and loss	**Year ended 31 March 2017**
Other Expenses: Rent	 (9,289)
Adjustment before income tax	**(9,289)**

Consolidated balance sheet	**As at 1 April 2016**	**As at 31 March 2017**
Provision (lease equalization reserve)	411,507	402,218
Related tax effect	(82,301)	(80,444)
Adjustment to retained earnings	**329,206**	**321,774**

vi. Deferred tax assets recognised on losses of subsidiaries

Under Indian GAAP Deferred tax is not recognised for carry forward unused tax losses and unused tax credits. As per Ind AS deferred tax asset is recognised for carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

The impact arising from the change is summarised as follows:

Consolidated statement of profit and loss	**Year ended 31 March 2017**
Tax expense: Deferred tax	(1,169,392)

Consolidated balance sheet	**As at 1 April 2016**	**As at 31 March 2017**
Deferred tax	1,515,991	2,685,383
Adjustment to retained earnings	**1,515,991**	**2,685,383**

vii. Income-tax- deferred tax credit

The above changes increased the deferred tax assets as follows based on a tax rate of their respective countries of incorporation:

	Note	**As at 1 April 2016**	**As at 31 March 2017**
Loss allowance	iv	18,481	70,330
Provision	vi	82,301	80,444
Taxes on carry forward unused tax losses and unused tax credits	vii	1,515,991	2,685,383
Increase in deferred tax assets		**1,616,773**	**2,836,157**

viii. Retained earnings

The above changes decreased retained earnings as follows:

	Note	**As at 1 April 2016**	**As at 31 March 2017**
Share-based payments measurement	ii	(663,652)	(873,241)
Cumulative translation reserves	Iii	3,131,206	3,131,206
Loss allowance	iv	(54,357)	(206,854)
Provision	v	(411,507)	(402,218)
Taxes on carry forward unused tax losses and unused tax credits	vi	1,515,991	2,685,383
Tax effects on above adjustments	vii	100,782	150,773
Interest on loan to related party		1,059,044	1,059,044
Others		610,815	270,305
Decrease in retained earnings		**5,288,322**	**5,814,398**

ix. Other comprehensive income

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

x. Statement of cash flows

The transition from Indian GAAP to Ind AS does not have a material impact on the statement of cash flows.

As per our attached report of even date

For **B S R & Co. LLP** *Chartered Accountants* ICAI Firm Registration No.: 101248W/W-100022	*For* and on behalf of the Board of Directors of **Genoa Jewelers Limited**
Rajiv Goyal *Partner* Membership No. : 094549	**Sunil Agrawal** *Chairman & Managing Director* DIN Number: 00061142
Place: Jaipur Date: 23 May 2018	Place: Jaipur Date: 23 May 2018