

GENOA JEWELERS LIMITED B.V.I
Consolidated Balance Sheet as at 31 March, 2017

	Note	As at 31 March, 2017	As at 31 March, 2016
		\$	\$
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	1	46,821,633	46,821,633
Reserves and Surplus	2	(25,491,270)	(29,228,219)
		21,330,363	17,593,414
Non Current Liabilities			
Long-Term Borrowings	3	-	323,273
		-	323,273
Current Liabilities			
Short-Term Borrowings	4	1,748,667	2,207,528
Trade Payables	5	23,029,472	18,875,254
Other Current Liabilities	6	3,158,215	4,302,824
Short-Term Provisions	7	696,209	513,660
		28,632,563	25,899,266
	Total	49,962,926	43,815,953
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets	8		
Tangible Assets		4,828,426	3,172,708
Intangible Assets		3,531,570	5,005,694
Total		8,359,996	8,178,403
Non-Current Investments	9	365,632	435,255
Deferred Tax Assets (net)		100,153	736,755
Long-Term Loans and Advances	10	3,354,958	4,387,873
		12,180,739	13,738,286
Current Assets			
Inventories	11	19,021,501	17,027,109
Trade Receivables	12	7,988,446	3,579,946
Cash and Bank Balance	13	8,054,897	5,670,405
Short-Term Loans and Advances	14	2,657,326	3,770,876
Other Current Assets	15	60,017	29,331
		37,782,187	30,077,667
	Total	49,962,926	43,815,953
Notes on Financial Statements	1 to 29		

As per our attached report of even date

For B. KHOSLA & CO.
Chartered Accountants
 ICAI F.R. No.: 000205C

For and on behalf of the Board of
Genoa Jewelers Limited B.V.I

SANDEEP MUNDRA
Partner
 M.No.: 075482

Sunil Agrawal
Director

Place: Jaipur
 Date: 09 May, 2017

Place: Jaipur
 Date: 09 May, 2017

GENOA JEWELERS LIMITED**Consolidated Statement of Profit and Loss for the year from 1 April, 2016 to 31 March, 2017**

	<u>Note</u>	<u>Year ended 31 March, 2017</u>	<u>Year ended 31 March, 2016</u>
		\$	\$
<u>REVENUE</u>			
I. Revenue From Operations	16	187,177,567	176,812,180
II. Other Income	17	2,166,651	1,874,039
III. Total Revenue (I + II)		<u>189,344,218</u>	<u>178,686,219</u>
<u>IV. EXPENSES</u>			
Purchases of Stock-In-Trade	18	78,572,896	74,422,464
Change in inventories	19	(1,994,392)	(2,537,385)
Employees Benefit Expenses	20	27,694,877	26,761,886
Financial Costs	21	190,505	435,062
Depreciation and Amortization	22	3,063,685	2,665,557
Other Expenses	23	77,498,127	76,246,888
Total expenses		<u>185,025,698</u>	<u>177,994,472</u>
V. Profit before tax (III- IV)		<u>4,318,520</u>	<u>691,747</u>
VI. Tax Expense:			
(1) Current Tax		50,571	(129,009)
(2) Tax adjustments earlier years		(424,510)	-
(3) Deferred Tax Charges/(Credits)		636,601	(736,755)
		<u>262,662</u>	<u>(865,764)</u>
Profit for the Year		<u>4,055,858</u>	<u>1,557,511</u>

Notes on Financial Statements

1 to 29

As per our attached report of even date

For B. KHOSLA & CO.
Chartered Accountants
ICAI F.R. No.: 000205C

For and on behalf of the Board of
Genoa Jewelers Limited B.V.I

SANDEEP MUNDRA
Partner
M.No.: 075482

Sunil Agrawal
Director

Place: Jaipur
Date: 09 May, 2017

Place: Jaipur
Date: 09 May, 2017

GENOA JEWELERS LIMITED

B. Notes accompanying Consolidated financial statement for the year ended 31 March, 2017

	31 March, 2017		31st March, 2016	
SHAREHOLDER'S FUND				
1 SHARE CAPITAL				
a The details of Authorised, Issued, Subscribed and fully paid up, and subscribed but not fully paid up capital are as under :-				
Share Capital	Number	Amount	Number	Amount
Authorised		\$		\$
50,000,000 Shares of US \$1 each	50,000,000	50,000,000	50,000,000	50,000,000
Issued, Subscribed and Paid up				
Shares of US \$1 each	46,821,633	46,821,633	46,821,633	46,821,633
		46,821,633		46,821,633
2 RESERVE & SURPLUS				
a Foreign Currency Translation Reserve				
Opening Balance	3,131,206		3,034,734	
Add/ (Less): Movement during the year	(318,909)	2,812,297	96,472	3,131,206
b Surplus/ (Deficit)				
Opening balance	(32,359,425)		(33,916,936)	
Add: Net Profit For the current year	4,055,858	(28,303,567)	1,557,511	(32,359,425)
Surplus/ (Deficit)		(25,491,270)		(29,228,219)
NON CURRENT LIABILITIES				
3 LONG TERM BORROWING				
Secured Loan				
Term Loan from Bank				
Working Capital Term Loan		-		323,273
		-		323,273
CURRENT LIABILITIES				
4 SHORT TERM BORROWINGS				
a. Secured Loan Repayable on demand				
From Bank *		1,598,667		2,057,528
	A	1,598,667		2,057,528
b. Unsecured Loan Repayable on demand from Affiliates				
STS Gems Thai Ltd.#		150,000		150,000
	B	150,000		150,000
	(A+B)	1,748,667		2,207,528
*Current maturities are disclosed under other current liabilities.				
Long Term Loan in respect of TJC, UK is secured by :-				
(i) First charge on EPG Licence on Sky.				
(ii) Additionally secured by Corporate guarantee of the immediate parent Company as well as ultimate parent Company.				
# The Company has taken loan from its fellow subsidiary company - STS Gems Thai Ltd. for which no specific terms & conditions for repayment of principal and interest thereon has been defined. In the opinion of the management, this loan is in the nature of short term loan. Interest is payable @5.00% p.a. during the year.				
5 TRADE PAYABLES				
To Others		8,458,312		5,242,158
To Related Parties		14,571,160		13,633,096
		23,029,472		18,875,254
6 OTHER CURRENT LIABILITIES				
Current Maturity of Long-term Loan		280,949		431,031
Other Liabilities		2,877,267		3,871,793
		3,158,215		4,302,824
7 SHORT TERM PROVISION				
Provision For Taxation		20,398		216
Provisions- for warranties & return		675,811		513,444
		696,209		513,660

B. Notes accompanying Consolidated financial statement for the year ended 31 March, 2017

	31 March, 2017	31st March, 2016
NON -CURRENT ASSETS		
9 NON CURRENT INVESTMENT		
Trade Investment		
Quoted Investment :		
6,564,530 (Previous year 7,814,530) shares of *US \$ each fully paid up of Richland Resources Limited	365,632	435,255
	<u>365,632</u>	<u>435,255</u>
<i>-Aggregate amount of quoted investment</i>	<i>365,632</i>	<i>435,255</i>
<i>-Market value of Quoted Investment</i>	<i>63,610</i>	<i>336,884</i>
10 LONG TERM LOANS AND ADVANCES		
<i>(Unsecured and considered good unless otherwise stated)</i>		
Capital Advance	167,394	1,325,745
Security Deposits	850,627	1,231,628
Advance Income Tax (Net of Provision)	754,925	-
Loans & Advances to related parties	1,582,012	1,830,500
	<u>3,354,958</u>	<u>4,387,873</u>
11 INVENTORIES		
<i>(As Taken, Valued And Certified By The Management)</i>		
Finished Stock	19,021,501	17,027,109
	<u>19,021,501</u>	<u>17,027,109</u>
12 TRADE RECEIVABLES		
<i>(Unsecured and considered good unless otherwise stated)</i>		
From Affiliates / Group Companies	1,384,546	657,579
From Others	6,663,555	2,922,367
<i>Less: Provision for doubtful debts</i>	<i>(59,655)</i>	<i>-</i>
	<u>7,988,446</u>	<u>3,579,946</u>
13 CASH AND BANK BALANCE		
Balance with Banks		
- in current account	7,924,920	5,513,980
- in Fixed Deposits (Pledged)	125,365	8,050,285
Cash on hand	4,612	144,220
	<u>8,054,897</u>	<u>5,658,200</u>
	<u>12,205</u>	<u>5,670,405</u>
14 SHORT TERM LOANS AND ADVANCES		
<i>(Unsecured and considered good unless otherwise stated)</i>		
Advance to staff	37,975	37,889
Advance to Supplier	38,402	-
Prepaid Expenses	2,580,950	3,112,695
Other advances recoverable	-	481,877
Tax recoverable	-	138,416
	<u>2,657,326</u>	<u>3,770,876</u>
15 OTHER CURRENT ASSETS		
Accrued Interest	60,017	29,331
	<u>60,017</u>	<u>29,331</u>

B. Notes accompanying Consolidated financial statement for the year ended 31 March, 2017

	31 March, 2017	31st March, 2016
16 REVENUE FROM OPERATIONS		
Sale of Products:		
Direct Sales	186,654,154	176,683,185
Sales to group Companies	523,412	128,995
	<u>187,177,567</u>	<u>176,812,180</u>
17 OTHER INCOME		
Interest	408,930	498,303
Liabilities no longer required written back	32,913	-
Gain on sale of investment	-	24,401
Miscellaneous income	1,724,809	1,351,335
	<u>2,166,651</u>	<u>1,874,039</u>
18 PURCHASE		
Finished Goods Purchased	78,572,896	74,422,464
	<u>78,572,896</u>	<u>74,422,464</u>
19 CHANGES IN STOCK-IN-TRADE		
Finished Goods:		
<i>Opening Stocks</i>		
Finished Goods	17,027,109	14,489,724
	<u>17,027,109</u>	<u>14,489,724</u>
<i>Less: Closing Stocks</i>		
Finished Goods	19,021,501	17,027,109
	<u>19,021,501</u>	<u>17,027,109</u>
	<u>(1,994,392)</u>	<u>(2,537,385)</u>
20 EMPLOYEES BENEFIT EXPENSE		
Salaries and bonuses	23,439,845	22,575,428
Contributions to Employees Fund	3,589,782	3,593,447
Staff Welfare Expenses	260,379	235,735
Recruitment and Training	404,871	357,276
	<u>27,694,877</u>	<u>26,761,886</u>
21 FINANCIAL COST		
Interest Expense	118,959	353,146
Finance charges	71,547	81,916
	<u>190,505</u>	<u>435,062</u>
22 DEPRECIATION & AMORTISATION		
Depreciation and amortisation	3,063,685	2,665,557
	<u>3,063,685</u>	<u>2,665,557</u>
23 OTHER EXPENSES		
A. Direct Expenses		
Freight, taxes and duties	3,249,735	2,710,704
Other Manufacturing / Direct Expenses	1,271,389	1,403,285
	<u>4,521,124</u>	<u>4,113,989</u>
B. Administration & Selling Expenses		
Rent, Rates and Taxes	2,179,229	1,736,468
Insurance	283,777	244,965
Travelling and Conveyance	667,053	818,599
Legal and Professional	1,127,132	1,098,166
Postage and Telephone	1,849,098	1,543,325
Printing and Stationery	147,199	139,665
Repair & Maintenance	219,155	156,853
Advertisement and Business Promotion	1,543,452	2,758,075
Security expenses	647,368	-
Donation	30,504	110,652
Audit Fees	94,944	85,943
Office Expenses	1,049,709	2,721,540
Loss on Sale of Investments	26,917	-
Exchange Fluctuation (Net)	130,426	67,688
Provision for doubtful debts and advances	112,915	-
Bad Debts	913,185	453,700
TV Channel Expenses		
Content & Broadcasting	38,695,926	40,126,001
Call handling & Collection Charges	8,126,564	7,289,429
Packing & Distribution Charges	12,761,702	11,504,507
Information Technology Expenses	2,370,751	1,277,323
	<u>72,977,004</u>	<u>72,132,899</u>
Total	<u>77,498,127</u>	<u>76,246,888</u>

B. Notes accompanying Consolidated financial statement for the year ended 31 March, 2017

31 March, 2017	31st March, 2016
----------------	------------------

24 Lease Commitments:

The Group has non cancellable lease agreements towards their office and other premises. These non-cancelable operating leases have various expiry dates. The total future minimum lease payments in this respect are as follows:

Year	As at 31 March 2017	As at 31 March 2016
Not later than one year	9,649,444	7,167,894
Later than one year & not later than five years	17,757,199	5,050,958
Later than five years	495,418	997,593

25 In the opinion of the management, there are no material transfers of goods within the Group and therefore no adjustment for the elimination of unrealized profit in the value of inventory lying in stock is required.

26 The group predominantly has only one reportable segment, i.e. retail of fashionable and lifestyle products. Therefore, no disclosure is required under Accounting Standard 17 "Segment Reporting" .

27 Related Party Disclosures:

List of Related Parties (with whom transactions carried out)

Name	Relationship
Vaibhav Global Limited	Ultimate Holding Company
STS Gems Limited, Hongkong	Fellow Subsidiary
STS Gem Thai Limited	Fellow Subsidiary
STS Jewels Inc	Fellow Subsidiary
STS Gems Japan Limited	Fellow Subsidiary
PT STS Bali	Fellow Subsidiary

<i>Balances as at year end</i>	As At 31 March, 2017	As At 31 March, 2016
Trade Receivables		
STS Jewels Inc. USA	1,271,621	640,594
Vaibhav Global Ltd	111,913	16,986
Trade payables		
Vaibhav Global Ltd	10,819,538	10,631,113
STS Jewels Inc. USA	174,555	316,902
STS Gems Limited, Hongkong	2,927,761	2,514,600
STS Gems Thai Limited	470,226	186,649
STS Bali	177,523	104,754
Loans and Advances Given		
STS Jewels Inc. USA	730,000	730,000
STS Gems Limited, Hongkong	850,502	1,100,000
STS Gems Japan	1,510	500
Borrowings		
STS Gems Thai Limited	150,000	150,000
Guarantees		
Vaibhav Global Ltd	3,028,001	4,633,583
<i>Transaction during the year</i>	Year ended 31 March, 2017	Year ended 31 March, 2016
Interest received		
STS Gems Limited, Hongkong	51,711	-
Interest Paid		
Vaibhav Global Limited	-	121,471
STS Gem Thai Limited	7,500	7,500
Issue of Shares (by conversion of loan)		
Vaibhav Global Limited	-	7,945,000
Expenses		
Vaibhav Global Ltd	120,590	-
Sales		
Vaibhav Global Ltd	383,069	76,398
STS Jewels Inc. USA	90,108	29,359
STS Gems Limited, Hongkong	50,236	21,643
Purchases		
Vaibhav Global Ltd	53,366,296	39,676,189
STS Jewels Inc. USA	1,655,371	1,198,276
STS Gems Limited, Hongkong	18,112,637	19,008,358
STS Bali	700,378	1,250,428
STS Gems Thai Limited	4,532,052	5,031,233

28 The previous year figures have been regrouped and reclassified wherever necessary.

For B. KHOSLA & CO.
Chartered Accountants
ICAI F.R. No.: 000205C

For and on behalf of the Board of
Genoa Jewelers Limited B.V.I

SANDEEP MUNDRA
Partner
M.No.: 075482

Sunil Agrawal
Director

Place: Jaipur
Date: 09 May, 2017

Place: Jaipur
Date: 09 May, 2017

Note 8 - "Fixed Asset Schedule "

	NAME OF ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION					NET BLOCK		
		As at 01.04.2016	Addition -	Deduction -	Currency Realinemnet	As at 31.03.2017	Up to 31.03.2016	Depreciation For the Year	Deduction -	Currency Realinemnet	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
A.	Tangible Assets												
	Lease Hold Improvement	2,138,716	1,208,153	-	-77,407	3,269,461	1,577,712	233,442	-	-21,053	1,790,100	1,479,361	561,004
	Plant & Machinery	2,906,041	732,326	25,974	-197,714	3,414,678	2,002,721	305,842	25,974	-163,684	2,118,906	1,295,772	903,320
	Furniture & Fixtures	1,168,018	196,239	22,579	-45,804	1,295,874	687,621	118,308	22,579	-32,818	750,533	545,342	480,397
	Office Equipment	100,266	261,143	-	-	361,409	40,740	36,144	-	-	76,884	284,525	59,526
	Computer	3,860,775	632,424	176,347	-231,809	4,085,043	2,692,314	484,759	176,347	-139,109	2,861,617	1,223,426	1,168,461
	Total	10,173,816	3,030,285	224,900	-552,734	12,426,465	7,001,108	1,178,495	224,900	-356,664	7,598,039	4,828,426	3,172,708
B.	Intangible Assets												
	Broadcast Rights	2,729,863	-	-	-357,409	2,372,454	1,307,461	143,778	-	-177,605	1,273,634	1,098,820	1,422,402
	Software	5,785,155	590,870	-	-	6,376,024	2,201,863	1,741,412	-	-	3,943,275	2,432,750	3,583,292
	Total	8,515,018	590,870	-	-357,409	8,748,478	3,509,324	1,885,190	-	-177,605	5,216,909	3,531,570	5,005,694
	Grand Total (A+B+C)	18,688,834	3,621,155	224,900	-910,143	21,174,943	10,510,432	3,063,685	224,900	-534,269	12,814,948	8,359,996	8,178,402
	Previous Year	11,555,445	7,347,808	73,494	-140,926	18,688,834	8,012,711	2,665,557	64,094	-103,745	10,510,432	8,178,402	3,542,734