Genoa Jewelers Limited
Consolidated Balance Sheet as at 31 March 2019
(All amount in USD, except share data and as stated otherwise)

Particulars	Notes No.	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	41,69,538	40,72,681
Other intangible assets	5	23,85,930	35,28,401
Financial assets			
Others	7	7,31,524	9,35,073
Deferred tax assets (net)	26	3,88,575	40,86,319
Other non-current assets	8	8,19,913	3,000
Total non-current assets		**84,95,480**	**1,26,25,474**
Current assets			
Inventories	9	2,71,21,922	2,33,28,752
Financial assets			
Trade receivables	10	1,60,77,079	1,34,75,753
Cash and cash equivalents	11A	9,66,041	27,61,362
Bank balances other than above	11B	-	1,40,670
Loans	6	53,00,522	49,29,657
Others	7	10,80,944	10,59,044
Other current assets	12	1,47,01,977	23,64,464
Total current assets		**6,52,48,485**	**4,80,59,702**
Total assets		**7,37,43,965**	**6,06,85,176**
EQUITY AND LIABILTIES			
Equity			
Equity share capital	13A	4,68,21,633	4,68,21,633
Other equity	13B	9,00,052	(1,26,32,909)
Total equity		**4,77,21,685**	**3,41,88,724**
Liabilities			
Non-current liabilities			
Provisions	17	1,88,207	2,65,739
Total non-current liabilities		**1,88,207**	**2,65,739**
Current liabilities			
Financial liabilities			
Borrowings	14	1,50,000	1,50,000
Trade payables		1,91,10,684	2,13,39,047
Other financial liabilities	15	1,87,978	-
Other current liabilities	16	33,78,595	18,99,915
Provisions	17	28,78,390	21,64,492
Current tax liabilities (net)		1,28,426	6,77,259
Total current liabilities		**2,58,34,073**	**2,62,30,713**
Total liabilities		**2,60,22,280**	**2,64,96,452**
Total equity and liabilities		**7,37,43,965**	**6,06,85,176**
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

For and on behalf of **Genoa Jewelers Limited**

Rajiv Goyal
Partner
Membership No.: 094549

Place: London
Date: 21 May 2019

Sunil Agrawal
Director

Place: Jaipur
Date: 21 May 2019

Genoa Jewelers Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2019
(All amount in USD, except share data and as stated otherwise)

Particulars	**Notes No.**	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Revenue from operations	18	23,83,99,780	21,39,81,879
Other income	19	13,18,485	13,46,008
Total income		**23,97,18,265**	**21,53,27,887**
EXPENSES			
Purchases of stock-in-trade	20	10,88,39,551	9,63,88,214
Change in inventories of stock-in-trade	21	(45,27,805)	(16,66,369)
Employee benefits expense	22	3,73,53,872	3,26,49,715
Finance costs	23	38,308	1,34,129
Depreciation and amortisation expense	24	29,06,264	32,85,166
Other expenses	25	7,70,81,968	7,33,91,207
Total expenses		**22,16,92,158**	**20,41,82,062**
Profit before tax		**1,80,26,107**	**1,11,45,825**
Tax expense	26		
Current tax		69,894	24,21,407
Tax pertaining to earlier years		1,73,627	-
Deferred tax		36,16,974	(12,00,864)
Tax expense		**38,60,495**	**12,20,543**
Profit for the year (A)		**1,41,65,612**	**99,25,282**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss		-	(47,558)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
		-	**(47,558)**
(i) Items that will be reclassified to profit or loss		(6,32,651)	5,99,469
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		(6,32,651)	**5,99,469**
Total other comprehensive income for the year, net of tax (B)		**(6,32,651)**	**5,51,911**
Total comprehensive income for the year (A+B)		**1,35,32,961**	**1,04,77,193**
Of the total comprehensive income above			
- Profit for the year attributable to owners of the parent		1,41,65,612	99,25,282
- Other comprehensive income attributable to owners of the parent		(6,32,651)	5,51,911
Earnings per equity share			
Basic and Diluted	27	0.30	0.21
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

For and on behalf of **Genoa Jewelers Limited**

Rajiv Goyal
Partner
Membership No.: 094549

Place: London
Date: 21 May 2019

Sunil Agrawal
Director

Place: Jaipur
Date: 21 May 2019

Genoa Jewelers Limited
Consolidated statement of changes in Equity for the year ended 31 March 2019
(All amount in USD, except share data and as stated otherwise)

A. Equity share capital:

Equity shares of USD 1 each issued subscribed and fully paid

Particulars	**No. of shares**	**Amount**
Balance as at the 01 April 2017	4,68,21,633	4,68,21,633
Change in equity share capital during the year (refer note 13A)	-	-
Balance as at the 31 March 2018	4,68,21,633	4,68,21,633
Change in equity share capital during the year (refer note 13A)	-	-
Balance at the 31 March 2019	**4,68,21,633**	**4,68,21,633**

B. Other equity

For the year ended 31 March 2019:

Particulars	**Reserves and surplus**	**Items of OCI (net of tax)**		**Total**
	Retained earnings	**Equity instruments through OCI**	**Exchange difference on translation of foreign operations**	
Balance as at 01 April 2018	(1,29,13,469)	-	2,80,560	(1,26,32,909)
Profit of the year	1,41,65,612	-	-	1,41,65,612
Other comprehensive income net of tax	-	-	(6,32,651)	(6,32,651)
Balance as at 31 March 2019	**12,52,143**	**-**	**(3,52,091)**	**9,00,052**

For the year ended 31 March 2018:

Particulars	**Reserves and surplus**	**Items of OCI (net of tax)**		**Total**
	Retained earnings	**Equity instruments through OCI**	**Exchange difference on translation of foreign operations**	
Balance as at 01 April 2017	(2,24,89,171)	(3,02,022)	(3,18,909)	(2,31,10,102)
Profit of the year	99,25,282	-	-	99,25,282
Other comprehensive income net of tax	-	(47,558)	5,99,469	5,51,911
Transfered to retained earnings	(3,49,580)	3,49,580	-	-
Balance as at 31 March 2018	**(1,29,13,469)**	**-**	**2,80,560**	**(1,26,32,909)**

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
Membership No.: 094549

Place: London
Date: 21 May 2019

For and on behalf of **Genoa Jewelers Limited**

Sunil Agrawal
Director

Place: Jaipur
Date: 21 May 2019

Genoa Jewelers Limited
Consolidated Statement of Cash flow for the year ended 31 March 2019
(All amount in USD, except share data and as stated otherwise)

	For year ended 31 March 2019	For year ended 31 March 2018
A. Cash flow from operating activities		
Profit for the year	**1,80,26,107**	**1,11,45,825**
Adjustments for:		
Depreciation and amortisation	29,06,264	32,85,166
Share based payments to employees	2,22,008	2,27,393
Allowances for / write off doubtful debts and advances	30,15,973	13,09,193
(Gain)/Loss on sale of fixed assets	(2,67,706)	-
Unrealised foreign exchange difference (net)	3,074	-
Liabilities no longer required written back	(94,612)	-
Interest income	(2,57,913)	(2,52,609)
Finance costs	38,308	1,34,129
Operating profit before working capital changes	**2,35,91,503**	**1,58,49,097**
Working capital adjustments:		
(Increase)/ decrease in trade receivables	(62,31,722)	(70,03,354)
(Increase)/ decrease in inventories	(45,20,866)	(26,78,386)
(Increase)/ decrease in other assets	(4,96,843)	(30,54,782)
Increase / (decrease) in trade payables, provisions, other current liabilities	(1,07,97,214)	(34,82,543)
Cash generated from / (used in) operating activities	**15,44,858**	**(3,69,968)**
Income taxes paid	(13,31,566)	(9,38,368)
Net cash generated from / (used in) operating activities	**2,13,292**	**(13,08,336)**
B. Cash flows from investing activities		
Purchase of fixed assets	(23,55,069)	(23,61,858)
Proceeds from sale of investments	-	16,052
Proceeds from sale of fixed assets	2,65,836	-
Movement in security deposit	-	(84,448)
Movement in deposit (with original maturities more than three months)	1,40,670	(15,305)
Net cash (used in) investing activities (B)	**(19,48,563)**	**(24,45,559)**
C. Cash flows from financing activities		
Repayment of borrowings	-	(18,79,615)
Interest paid	(38,308)	(1,34,129)
Net cash (used in) financing activities (C)	**(38,308)**	**(20,13,744)**
D. Impact of movement of exchange rates		
Exchange difference on translation foreign operations	(21,742)	5,99,469
Net (decrease) / increase in cash and cash equivalents (A+B+C+D)	**(17,95,321)**	**(51,68,170)**
Opening balance of cash and cash equivalents	27,61,362	79,29,532
Closing balance of cash and cash equivalents	**9,66,041**	**27,61,362**
Cash and cash equivalent comprises		
Balance with scheduled bank current account	9,54,120	27,48,774
Cash on hand	11,921	12,588
	9,66,041	**27,61,362**

Significant accounting policies 3.

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

1. 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.

2. Change in financial liabilities arising from financial activities

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Opening balance of short term borrowings	-	-
Opening balance of bank overdraft	-	18,79,615
Movement in short term borrowings	-	-
Movement in bank overdraft	-	(18,79,615)
Non cash changes - effect of foreign currency translation	-	-
Closing balance of short term borrowings	**-**	**-**
Closing balance of bank overdraft	**-**	**-**

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

For and on behalf of **Genoa Jewelers Limited**

Rajiv Goyal
Partner
Membership No.: 094549

Place: London
Date: 21 May 2019

Sunil Agrawal
Director

Place: Jaipur
Date: 21 May 2019

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 2019. 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.

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 2019 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 2019, which are as follows:

Name of the Subsidiaries	Country of incorporation	% holding as at 31 March 2018	% holding as at 31 March 2018
The Jewellery Channel Limited, UK	United Kingdom	100%	100%
Shop LC Global Inc., USA	USA	100%	100%
Jewel Gems Inc., USA *	USA	Not applicable	Not applicable

* Merged into Shop LC Global 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 company, i.e., year ended on 31 March.

b. 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.

c. 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. This includes all derivative financial assets. 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 as 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 de-recognition 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.

d. 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. 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.

iii. 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.

iv. Leased assets

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

e. Intangible assets

Intangible assets includes computer software and broadcasting rights. 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.

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	4
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.

f. 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, production or conversion costs 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.

g. 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, investment securities and derivative instruments. 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. This amount is reflected in a separate line in the Profit and Loss 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 goodwill is not subsequently reversed. In respect of other 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.

h. 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 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 benefit plan

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 and uncollectible receivables. Each of these adjustments is estimated based on historical experience. Sales returns are calculated as a percent of sales and are netted against revenue in the consolidated statement of operations.

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 in the consolidated statements of profit and loss.

The Group 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.

Effective 1 April 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" retrospectively to each prior reporting quarter / year presented, in accordance with Ind AS 8, Accounting Policies, Change in Accounting Estimates and Errors. Accordingly, the comparatives of previous year have been retrospectively adjusted. Further, the adoption has no impact on the profit of the current and comparative year. The adoption has impacted the current and previous figures as below:

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Decrease in Revenue from Operations and Other Expenses	12,45,664	7,37,115

l. Recognition of dividend income, 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.

n. Tax Expense

Tax Expense 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.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

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**.**

o. 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.

p. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest 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**.**

q. 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.

r. Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the 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 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

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 01 April 2019:

Ind AS – 116 – Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 16, effective annual reporting period beginning 01 April 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on 01 April 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at 01 April 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Group is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from 01 April 2019, the Group will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Group recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation:

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement:

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures:

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements:

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

4 Property plant and equipment
Reconcilation of carrying amount

Particulars	Leasehold land	Leasehold improvement	Building	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
Cost or deemed cost									
Balance at 01 April 2017	-	**17,10,319**	-	**15,95,351**	**6,61,584**	**3,20,669**	**7,46,920**	-	**50,34,843**
Additions	-	1,82,834	-	7,46,846	1,71,282	45,042	5,19,645	-	**16,65,649**
Exchange differences on translation of foreign operations	-	50,136	-	33,635	18,933	-	18,986	-	**1,21,690**
Balance at 31 March 2018	**-**	**19,43,289**	**-**	**23,75,832**	**8,51,799**	**3,65,711**	**12,85,551**	**-**	**68,22,182**
Additions	35,650.00	1,96,805	2,92,685	4,75,195	62,988	54,017	3,82,308	19,529	**15,19,177**
Disposals	-	-	-	(1,268)	-	-	-	-	**(1,268)**
Exchange differences on translation of foreign operations	-	(42,173)	-	(89,204)	(23,540)	-	(34,014)	-	**(1,88,931)**
Balance at 31 March 2019	**35,650**	**20,97,921**	**2,92,685**	**27,60,555**	**8,91,247**	**4,19,728**	**16,33,845**	**19,529**	**81,51,160**
Accumulated depreciation									
Balance at 01 April 2017	**-**	**2,30,958**	**-**	**2,99,577**	**1,16,242**	**36,144**	**2,31,163**	**-**	**9,14,084**
Depreciation for the year	-	3,41,597	-	5,70,378	3,37,662	78,227	4,58,703	-	**17,86,567**
Exchange differences on translation of foreign operations	-	9,764	-	21,154	6,967	-	10,965	-	**48,850**
Balance at 31 March 2018	**-**	**5,82,319**	**-**	**8,91,109**	**4,60,871**	**1,14,371**	**7,00,831**	**-**	**27,49,501**
Depreciation charge for the year	-	3,59,250	1,626	4,56,241	1,30,318	76,856	3,04,590	656	**13,29,537**
Exchange differences on translation of foreign operations	-	(18,768)	-	(40,163)	(13,711)	-	(24,769)	(5)	**(97,416)**
Balance at 31 March 2019	**-**	**9,22,801**	**1,626**	**13,07,187**	**5,77,478**	**1,91,227**	**9,80,652**	**651**	**39,81,622**
Carrying amount (net)									
Balance as at 31 March 2018	-	13,60,970	-	14,84,723	3,90,928	2,51,340	5,84,720	-	**40,72,681**
Balance as at 31 March 2019	35,650	11,75,120	2,91,059	14,53,368	3,13,769	2,28,501	6,53,193	18,878	**41,69,538**

5 Other intangible assets

Particulars	Softwares	Broadcast rights	Total
Cost or valuation			
Balance at 01 April 2017	**51,21,333**	**22,78,048**	**73,99,381**
Additions	5,78,326	-	**5,78,326**
Exchange differences on translation of foreign operations	53,356	84,860	**1,38,216**
Balance at 31 March 2018	**57,53,015**	**23,62,908**	**81,15,923**
Additions	5,53,437	-	**5,53,437**
Exchange differences on translation of foreign operations	(1,02,302)	(1,87,142)	**(2,89,444)**
Balance at 31 March 2019	**62,04,150**	**21,75,766**	**83,79,916**
Accumulated amortisation			
Balance at 01 April 2017	**19,80,916**	**11,79,228**	**31,60,144**
Amortisation charge for the year	13,52,714	1,45,885	**14,98,599**
Exchange differences on translation of foreign operations	(24,947)	(46,274)	**(71,221)**
Balance at 31 March 2018	**33,08,683**	**12,78,839**	**45,87,522**
Amortisation charge for the year	14,32,322	1,44,405	**15,76,727**
Exchange differences on translation of foreign operations	(57,816)	(1,12,447)	**(1,70,263)**
Balance at 31 March 2019	**46,83,189**	**13,10,797**	**59,93,986**
Carrying amount (net)			
Balance as at 31 March 2018	24,44,332	10,84,069	**35,28,401**
Balance as at 31 March 2019	15,20,961	8,64,969	**23,85,930**

6 Financial Assets - Loans

Particulars	31 March 2019	31 March 2018
Current		
Other receivables	1,09,254	73,625
Loans to related parties (refer note 32)	51,91,268	48,56,032
	53,00,522	**49,29,657**

7 Financial assets - Others

Particulars	31 March 2019	31 March 2018
Security deposits - unsecured, considered good	7,31,524	9,35,073
	7,31,524	**9,35,073**
Current		
Interest accrued on loan to related parties	10,80,944	10,59,044
	10,80,944	**10,59,044**

8 Other non- current assets

Particulars	31 March 2019	31 March 2018
Deposits with tax authorities	5,40,233	-
Capital advances	2,79,680	3,000
	8,19,913	**3,000**

9 Inventories

Particulars	31 March 2019	31 March 2018
Stock-in-trade	2,71,21,922	2,33,28,752
	2,71,21,922	**2,33,28,752**

10 Financial assets - Trade receivables

Particulars	31 March 2019	31 March 2018
Unsecured, cosidered good	1,60,77,079	1,34,75,753
Doubtful	-	-
	1,60,77,079	1,34,75,753
Loss allowance		
Unsecured, considered good	3,03,191	13,40,607
Doubtful	(3,03,191)	(13,40,607)
	-	-
	1,60,77,079	**1,34,75,753**

11 Cash and cash equivalent

Particulars	31 March 2019	31 March 2018
A Cash and cash equivalents		
(i) Balances with banks:		
Balance with scheduled bank current account	9,54,120	27,48,774
(ii) Cash on hand	11,921	12,588
	9,66,041	**27,61,362**
B. Balances other then cash and cash equivalents		
Bank deposits - pledged	-	1,40,670
	-	**1,40,670**

12 Other current assets

Particulars	31 March 2019	31 March 2018
Unsecured, considered good		
Advances other than capital advances		
Advances to suppliers (also refer note 32)	1,21,02,715	2,23,872
Others		
Prepaid expenses	25,99,262	21,40,592
	1,47,01,977	**23,64,464**

13A Equity share capital

	Particulars	31 March 2019	31 March 2018
a.)	**Authorised**		
	50,000,000 (31 March 2018: 50,000,000) equity shares of USD 1 each	5,00,00,000	5,00,00,000
	Issued, subscirbed and fully paid up		
	46,821,633 (31 March 2018: 46,821,633) equity shares of USD 1 each	4,68,21,633	4,68,21,633
		4,68,21,633	**4,68,21,633**

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

Equity shares of Rs.10 each issued, subscribed and fully paid	31 March 2019		31 March 2018	
	No of shares	Amount	No of shares	Amount
Balance at the beginning of the year	4,68,21,633	4,68,21,633	4,68,21,633	4,68,21,633
Shares issued during the year	-	-	-	-
Balance at the end of the year	**4,68,21,633**	**4,68,21,633**	**4,68,21,633**	**4,68,21,633**

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 2019		31 March 2018	
Name of the shareholder	% of Holding	No. of shares	% of Holding	No. of shares
Vaibhav Global Limited	100	46,821,633	100	46,821,633

d.) The ultimate holding company is Brett Enterprises Private Limited (previously known as Brett Plastic Private Limited) w.e.f. 29 May 2018

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.

13B Other equity

	Particulars	31 March 2019	31 March 2018
a).	**Reserves and surplus**		
	Retained earnings		
	Opening balance	(1,29,13,469)	(2,24,89,171)
	Net profit for the year	1,41,65,612	99,25,282
	Transfer from FVTOCI reserve	-	(3,49,580)
	Closing balance	**12,52,143**	**(1,29,13,469)**
b).	**Items of other comprehensive income (net of tax)**		
	FVTOCI reserve		
	Opening balance	-	(3,02,022)
	Movement during the year	-	(47,558)
	Transfered to retained earnings	-	3,49,580
	Closing balance	**-**	**-**
	Foreign currency translation reserve		
	Opening balance	2,80,560	(3,18,909)
	Movement during the year	(6,32,651)	5,99,469
	Closing balance	**(3,52,091)**	**2,80,560**

13C Nature of reserves

a. Retained earnings

Retained earnings comprises of prior years undistributed earnings after taxes.

14 Borrowings

Particulars	**31 March 2019**	**31 March 2018**
Loan repayable on demand		
Loan from related parties (refer note 32)	1,50,000	1,50,000
Net current borrowings	**1,50,000**	**1,50,000**

15 Other financial liabilities- Current

Particulars	**31 March 2019**	**31 March 2018**
Employee benefit payables	1,87,978	-
Total other current financial liabilities at amortised cost	**1,87,978**	**-**

16 Other current liabilities

Particulars	**31 March 2019**	**31 March 2018**
Statutory dues payable	29,74,907	8,65,538
Advance from customers	4,03,688	10,27,710
Other liabilities	-	6,667
Total other current liabilities	**33,78,595**	**18,99,915**

17 Provisions

Particulars	**31 March 2019**	**31 March 2018**
A. Current		
Other provision		
Provision for expected sales returns	28,19,423	21,01,964
Provision for lease equalisation	58,967	62,528
Total other current provisions	**28,78,390**	**21,64,492**
B. Non - current		
Other provision		
Provision for lease equalisation	1,88,207	2,65,739
Total other non-current provisions	**1,88,207**	**2,65,739**
Current	28,78,390	21,64,492
Non-current	1,88,207	2,65,739

18 Revenue from operations:

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Sale of products	23,83,61,576	21,39,79,715
Foreign exchange gain (net)	38,204	2,164
Total	**23,83,99,780**	**21,39,81,879**

19 Other income

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Interest	2,57,913	2,52,609
Liabilities no longer required written back	94,612	-
Gain on sale of broadcasting rights and fixed assets	2,67,706	-
Miscellaneous income	6,98,254	10,93,399
Total	**13,18,485**	**13,46,008**

20 Purchases of stock-in-trade

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Purchases of stock-in-trade	10,88,39,551	9,63,88,214
	10,88,39,551	**9,63,88,214**

21 Change in inventories of stock-in-trade

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
At the beginning of the year	2,33,28,752	2,06,50,366
At the end of the year	2,71,21,922	2,33,28,752
Loss on translation of stock at average rate	(7,34,635)	10,12,017
Decrease in stock-in-trade	**(45,27,805)**	**(16,66,369)**

22 Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	3,11,40,124	2,74,50,440
Contribution to employee benefits funds	25,78,335	23,36,675
Share based payments to employees	2,22,008	2,27,393
Staff welfare expenses	34,13,405	26,35,207
	3,73,53,872	**3,26,49,715**

23 Finance costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on debts and borrowings	-	61,821
Other borrowing costs	38,308	72,308
	38,308	**1,34,129**

24 Depreciation and amortisation expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Deprecitaion of property, plant and equipment	13,29,537	20,90,244
Amortisation of intangible assets	15,76,727	11,94,922
	29,06,264	**32,85,166**

25 Other expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Direct expenses		
Other direct expenses	13,64,205	13,70,169
	13,64,205	**13,70,169**
b. Administrative & selling expenses		
Rent	20,55,716	12,73,979
Rates and taxes	4,44,100	8,22,452
Insurance	2,86,655	3,21,708
Travelling and conveyance	8,91,166	10,17,254
Legal and professional fees (refer note 25A)	6,88,289	16,76,604
Postage and telephone	4,92,319	5,05,519
Printing and stationery	1,54,246	1,52,098
Repairs and maintenance - others	3,08,630	2,88,293
Donation	4,55,857	2,32,492
Advertising and sales promotion	20,25,204	10,88,864
Security expenses	6,90,869	6,77,914
Bad debts/ advances written off	28,72,246	2,65,999
Allowances for doubtful debts and advances	1,43,727	10,43,194
Content and broadcasting	3,25,48,254	3,54,07,373
Call handling and collection charges	1,14,78,357	1,00,06,965
Packing and distribution charges	1,77,33,286	1,44,51,066
Information technology expenses	15,01,763	19,07,074
Miscellaneous expenses	9,47,079	8,82,190
	7,57,17,763	**7,20,21,038**
Total	**7,70,81,968**	**7,33,91,207**

25A Payment to auditors

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Statutory audit	**2,524**	**2,524**
Total	**2,524**	**2,524**

26 Tax expenses

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
A Tax expense charged to statement of profit and loss		
Current tax	69,894	24,21,407
Current tax earlier year	1,73,627	-
	2,43,521	**24,21,407**
Deferred tax		
Attributable to:		
Original and reversal of temporary differences	36,16,974	(12,00,864)
	36,16,974	**(12,00,864)**
	38,60,495	**12,20,543**

B Reconciliation of effective tax rate

Particulars	**Year ended 31 March 2019**		**Year ended 31 March 2018**	
	%	**Amount**	**%**	**Amount**
Profit before tax		**1,80,26,107**		**1,11,45,825**
Tax expense as per statutory income tax rates	0.00%	-	0.00%	-
Differences in tax rates in foreign jurisdictions	20.05%	36,14,199	25.82%	28,77,517
Employee stock compensation cost	0.24%	43,693	0.58%	65,036
Recognition of deferred tax asset on previous year tax losses	0.00%	-	-12.48%	(13,90,947)
Others	0.16%	28,976	-2.97%	(3,31,063)
	21.42%	**38,60,495**	**10.95%**	**12,20,543**

C Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	**31 March 2019**	**31 March 2018**
Property, plant and equipment	(2,08,297)	1,65,248
Provision for employee benefits	(32,805)	-
Other items	6,29,677	2,50,850
Tax losses carried forward	-	36,70,221
	3,88,575	**40,86,319**

D Movement in temporary differences

Particulars	**Property, plant and equipment**	**Provision-employee benefits**	**Other items**	**Tax losses carried forward**	**Total**
Balance as at 01 April 2017	**(4,28,499)**	**47,548**	**6,97,939**	**26,19,322**	**29,36,310**
Recognised in profit and loss during the year	5,93,747	(47,548)	(4,47,089)	10,50,899	11,50,009
Balance as at 31 March 2018	**1,65,248**	**-**	**2,50,850**	**36,70,221**	**40,86,319**
Recognised in profit and loss during the year	(3,73,545)	(32,805)	3,78,827	(36,70,221)	(36,97,744)
Balance as at 31 March 2019	**(2,08,297)**	**(32,805)**	**6,29,677**	**-**	**3,88,575**

E Tax losses carried forward

UK entity has unused carried forward tax losses of Nil (31 March 2018: USD 6,420,515) available to reduce future current income taxes.

USA entities has unused carried forward tax losses of Nil (31 March 2018: USD 11,910,371) available to reduce future current income taxes.

27 Earning per share

Particulars	**Year ended 31 March 2019**	**Year ended 31 March 2018**
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 for the year, attributable to equity holders	1,41,65,612	99,25,282
ii. Weighted average number of equity shares for basic and diluted EPS		
Opening balance	4,68,21,633	4,68,21,633
Effect of share options exercised	-	-
Weighted average number of equity shares	**4,68,21,633**	**4,68,21,633**
iii. Basic and diluted earning per share	0.30	0.21

28. Share-based payments

a.) Vaibhav Global Limited, Employee Stock Options Plan (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 2019		31 March 2018	
	Number	**WAEP (Rs.)**	**Number**	**WAEP (Rs.)**
Outstanding at beginning of the year	5,17,116	463.10	4,33,358	432.80
Granted during the year	1,82,250	711.70	1,30,194	547.38
Forfeited during the year	(76,032)	608.09	(39,978)	469.31
Exercised during the year *	(25,367)	257.01	(6,458)	91.05
Outstanding at the end of the year	**5,97,967**	**528.17**	**5,17,116**	**463.10**

The following tables list the inputs to the models used for the three series for the years ended 31 March 2019 and 31 March 2018, respectively:

Series	**31 March 2019**		**31 March 2018**		
	U	**V**	**R**	**S**	**T**
Stock price of option as on Grant Date	711.85	682.25	544.15	633.55	737.20
Exercise price of option	711.85	682.25	544.15	633.55	737.20
Risk free rate	7.74% to 7.94%	7.78% to 7.98%	6.46% to 6.50%	6.82% to 6.91%	6.82% to 6.91%
Volatility	42.22% to 43.79%	42.78% to 43.79%	44.39% to 49.28%	44.42% to 49.10%	44.39% to 48.41%

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

	31 March 2019	**31 March 2018**
	Rs. lacs	**Rs. lacs**
Expense arising from equity-settled share-based payment transactions	2,22,008	2,27,393
Total expense arising from share-based payment transactions	**2,22,008**	**2,27,393**

There were no cancellations or modifications to the awards in 31 March 2019 and 31 March 2018.

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 2,055,716 (31 March 2018: USD 1,273,979) 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 2019	31 March 2018
Not later than one year	19,15,893	14,02,444
Later than one year & not later than five year	42,83,176	33,17,724
Later than five year	-	-
	61,99,069	**47,20,168**

30. Segment reporting

As per Ind AS 108 ‘Operating Segments’, the Group has disclosed the segment information only as part of the consolidated financial statements of Vaibhav Global Limited .

31. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and the market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The board of directors of the holding Company seeks to maintain a balance between the higher returns that might be possible with the higher level of borrowings and the advantages and security afforded by a sound capital position. The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing short term borrowing less cash and cash equivalents. Adjusted equity comprises of all components of equity.

The Group's adjusted net debt to equity ratio as at 31 March 2019 is as follows:

	31 March 2019	31 March 2018
Total liabilities	2,60,22,280	2,64,96,452
Cash and cash equivalents (refer note 11A)	(9,66,041)	(27,61,362)
Bank balances other than above (refer note 11B)	-	(1,40,670)
Net debt	**2,50,56,239**	**2,35,94,420**
Equity share capital (refer note 13A)	4,68,21,633	4,68,21,633
Other equity (refer note 13B)	9,00,052	(1,26,32,909)
Total equity	**4,77,21,685**	**3,41,88,724**
Net debt to equity ratio	**0.53**	**0.69**

32. Related party transactions

i) List of related parties :

A. Ultimate holding company

Brett Enterprises Private Limited (previously known as Brett Plastics Private Limited) w.e.f. 29 May 2018

B. Holding Company

Vaibhav Global Limited

C. 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
6. STS (Guangzhou) Trading Limited Company

D. Key management personnel (KMP) :

1. Mr. Sunil Agrawal - Director

E. Relatives of key management personnel

1. Mr. Harsh Agarwal

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	STS (Guangzhou) Trading Limited Company	PT STS Bali	STS Gems Thai Limited	Total
Transactions during the year ending 31 March 2019:								
Sale of goods	2,12,268	35,629	-	50,933	-	-	-	2,98,830
Purchase of goods	4,92,47,994	36,24,373	-	3,00,39,124	84,189	29,61,673	55,74,694	9,15,32,047
Interest income	-	21,900	-	2,34,089	-	-	-	2,55,989

Type of transaction	Vaibhav Global Limited	STS Jewels Inc. USA	STS Gems Japan Limited	STS Gems Limited, Hong Kong	STS (Guangzhou) Trading Limited Company	PT STS Bali	STS Gems Thai Limited	Total
Transactions during the year ending 31 March 2018:								
Sale of goods	3,79,367	1,77,488	-	21,760	-	-	38,806	6,17,421
Purchase of goods	4,78,19,438	23,56,482	-	2,35,05,464	-	25,77,079	50,47,921	8,13,06,384
Interest income	-	-	-	1,44,368	-	-	-	1,44,368

(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	STS (Guangzhou) Trading Limited Company	PT STS Bali	STS Gems Thai Limited	Total
Balances as at year end 31 March 2019:								
Amount receivable	1,43,122	27,56,293	-	2,07,356	-	-	-	31,06,771
Amount payable	14,88,814	8,15,978	-	53,20,510	61,329	4,92,586	5,25,938	87,05,155
Advances to suppliers	1,14,97,493	-	-	-	-	-	-	1,14,97,493
Loan receivable	-	7,30,000	2,710	44,58,558	-	-	-	51,91,268
Loan payable	-	-	-	-	-	-	1,50,000	1,50,000

Type of transaction	Vaibhav Global Limited	STS Jewels Inc. USA	STS Gems Japan Limited	STS Gems Limited, Hong Kong	STS (Guangzhou) Trading Limited Company	PT STS Bali	STS Gems Thai Limited	Total
Balances as at year end 31 March 2018:								
Amount receivable	3,65,192	12,11,896	-	-	-	-	77,613	16,54,701
Amount payable	13,86,262	32,41,942	-	7,86,853	-	18,992	2,22,421	56,56,470
Loan receivable	-	7,30,000	2,110	41,23,922	-	-	-	48,56,032
Loan payable	-	-	-	-	-	-	1,50,000	1,50,000

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

Type of transaction	Mr. Sunil Agrawal
Transaction during the year ending :	
Remuneration	
- 31 March 2019	3,72,829
- 31 March 2018	3,34,077
Remuneration paid to relatives of key managerial persons	
- 31 March 2019	-
- 31 March 2018	5,000.00

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 2019	Notes No.	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial assets					
Cash and cash equivalents	11A	-	-	9,66,041	9,66,041
Bank balance other than above	11B	-	-	-	-
Loans- current	6	-	-	53,00,522	53,00,522
Trade receivables	10	-	-	1,60,77,079	1,60,77,079
Other non current financial asset	12	-	-	7,31,524	7,31,524
		-	**-**	**2,30,75,166**	**2,30,75,166**
Financial liabilities					
Borrowings	14	-	-	1,50,000	1,50,000
Trade payables		-	-	1,91,10,684	1,91,10,684
		-	**-**	**1,92,60,684**	**1,92,60,684**

As on 31 March 2018	Notes No.	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial assets					
Cash and cash equivalents	11A	-	-	27,61,362	27,61,362
Bank balance other than above	11B	-	-	1,40,670	1,40,670
Loans- current	6	-	-	49,29,657	49,29,657
Trade receivables	10	-	-	1,34,75,753	1,34,75,753
Other non current financial asset	12	-	-	9,35,073	9,35,073
		-	**-**	**2,22,42,515**	**2,22,42,515**
Financial liabilities					
Borrowings	14	-	-	1,50,000	1,50,000
Trade payables		-	-	2,13,39,047	2,13,39,047
		-	**-**	**2,14,89,047**	**2,14,89,047**

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;
- Improve compliance with good corporate governance guidelines and practices as well as laws and regulations, and
- 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 2019			
	< 1 Year	**1 - 3 Year**	**>3 Year**	**Total**
Current borrowings	1,50,000	-	-	1,50,000
Trade and other payables	1,91,10,684	-	-	1,91,10,684
Total	**1,92,60,684**	**-**	**-**	**1,92,60,684**

	As on 31 March 2018			
	< 1 Year	**1 - 3 Year**	**>3 Year**	**Total**
Current borrowings	1,50,000	-	-	1,50,000
Trade and other payables	2,13,39,047	-	-	2,13,39,047
Total	**2,14,89,047**	**-**	**-**	**2,14,89,047**

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 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 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 2019	**31 March 2018**
GBP to USD	-	26,476

	Financial liabilities	
	31 March 2019	**31 March 2018**
GBP to USD	1,91,438	45,243

(c) 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.

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
Membership No.: 094549

Place: London
Date: 21 May 2019

For and on behalf of **Genoa Jewelers Limited**

Sunil Agrawal
Director

Place: Jaipur
Date: 21 May 2019