VALUE RESEARCH PREMIUM

Notes to Standalone Financial Statements

For the year ended March 31, 2020

1. CORPORATE INFORMATION

1.1 Nature of Operations

Renaissance Global Limited (Formerly known as "Renaissance Jewellery Limited") (the company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the manufacture of diamond studded Jewellery, trading of cut and polished diamonds and Retail trade of furniture. The company's shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE).

1.2 General information and statement of compliance with Ind AS

The standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and the other relevant provisions of the Act and Rules there under to the extent notified and applicable, as well as applicable guidance notes and pronouncements of the Institute of Charted Accountants of India (ICAI).

The standalone Ind AS financial statements for the year ended March 31, 2020 were authorised and approved for issue by the Board of Directors on June 29, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The standalone Ind AS financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities (including financial instruments) which have been measured at fair value at the end of each reporting period as explained in the accounting policies stated below.

2.2 Functional and presentation currency and Rounding off of the amounts

The functional and presentation currency of the company is Indian rupees. These standalone financial statements are presented in Indian rupees and all values are stated in lakhs of Rupees except otherwise indicated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

2.3 Current/non-current classification

2.3.1 The company has classified all its assets and liabilities under current and non-current as required by Ind AS 1- Presentation of Financial Statements. The 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

2.3.2 All other assets are classified as non-current.

2.3.3 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

2.3.4 All other liabilities are classified as non-current.

2.3.5 The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets (including Minimum Alternate Tax Credit) and liabilities are always classified as non-current assets and liabilities.

2.4 Property, Plant and Equipment (PPE)

2.4.1 Freehold land is stated at historical cost.

Value Research

www.valueresearchonline.com, www.valueresearchstocks.com

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

2.4.2 All other items of PPE including capital work in progress are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. PPE is recognized when the cost of an asset can be reliably measured and it is probable that the entity will obtain future economic benefits from the asset.

2.4.3 PPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and non-refundable purchase taxes).

2.4.4 The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its PPE as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2016).

2.4.5 Capital work in progress (CWIP) comprises of cost of acquisition of assets, duties, levies and any cost directly attributable to bringing the asset to its working condition for the intended use. Expenditure incurred on project under implementation is treated as incidental expenditure incurred during construction and is pending allocation to the assets which will be allocated / apportioned on completion of the project.

2.5 Depreciation/Amortization

2.5.1 The depreciable amount of PPE (being the gross carrying value less the estimated residual value) is depreciated over its useful life as prescribed in Schedule II to The Companies Act, 2013 on Written down value basis.

2.5.2 The management believes that the estimated useful lives are realistic and reflects fair approximation of the period over which the assets are likely to be used. At each financial year end, management reviews the residual values, useful lives and method of depreciation of property, plant and equipment and values of the same are adjusted prospectively where needed.

2.6 Intangible assets

2.6.1 Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises the acquisition price, development cost and any attributable / allocable incidental cost of bringing the asset to its working condition for its intended use. The useful life of intangible assets is assessed as either finite or indefinite. All finite-lived intangible assets, are accounted for using the cost model whereby intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised over the estimated useful economic life. Residual values and useful lives are reviewed at each reporting date. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.6.2 When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss within 'other income' or 'other expenses' respectively.

2.7 Impairment of non-financial Assets

2.7.1 The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

2.7.2 An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

2.7.3 The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.8 Leases

2.8.1 Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.8.2 The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is considered as a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.8.3 The Company has adopted Ind AS 116-Leases effective April 01, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

application (April 01, 2019). Accordingly, previous period information has not been restated. The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been presented in the Balance Sheet as a part of Property, plant and equipment and lease payments have been classified as financing cash flows.

Practical expedient opted by Company:

- For contracts in place at the date of transition, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and appendix C to Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition of Ind AS 116, being 1 April 2019.
- On transition Company has elected, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

Exemptions availed by Company:

- The Company has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit:
- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- leases for which the underlying asset is of low value

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Measurement and recognition of leases

The Company considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Value Research

VALUE RESEARCH PREMIUM

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss account as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

Value Research

Company as a lessor

Lease income from operating leases where the company is lessor is recognised in income on straight line basis over the lease term.

Critical accounting estimates and judgements

Ind AS 116 requires Company to make certain judgements and estimations, and those that are significant are disclosed below.

Critical judgements are required when an entity is,

- determining whether or not a contract contains a lease
- establishing whether or not it is reasonably certain that an extension option will be exercised
- considering whether or not it is reasonably certain that a termination option will not be exercised
- determining whether or not variable leased payments are truly variable, or in-substance fixed
- for lessors, determining whether the lease should be classified as an operating or finance lease.

Key sources of estimation and uncertainty include:

- calculating the appropriate discount rate.
- estimating the lease term.

2.9 Financial instruments

The Company recognizes financial assets and financial liabilities when it becomes party to the contractual provision of the instrument.

2.9.1 Financial assets

a. Initial recognition and measurement

Financial assets are initially measured at its fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the concerned financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss. However, trade receivable that do not contain a significant financing component are measured at transaction price.

www.valueresearchonline.com, www.valueresearchstocks.com

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

b. **Subsequent measurement**

For subsequent measurement, the Company classifies financial assets in following broad categories:

- Financial assets carried at amortized cost.
- Financial assets carried at fair value through other comprehensive income (FVTOCI)
- Financial assets carried at fair value through profit or loss (FVTPL)

c. **Financial asset carried at amortized cost (net of any write down for impairment, if any)**

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized costs using Effective Interest Rate (EIR) method less impairment, if any. The losses arising from impairment are recognized in the statement of profit or loss. Cash and bank balances, trade receivables, loans and other financial asset of the Company are covered under this category.

Under the EIR method, the future cash receipts are exactly discounted to the initial recognition value using EIR. The cumulative amortization using the EIR method of the difference between the initial recognition amount and maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at amortized cost at each reporting date. The corresponding effect of the amortization under EIR method is recognized as interest income over the relevant period of the financial asset. The same is included under "other income" in the statement of profit or loss. The amortized cost of the financial asset is also adjusted for loss allowance, if any.

d. **Financial asset carried at FVTOCI**

Financial asset under this category are measured initially as well as at each reporting date at fair value, when asset is held with a business model whose objective is to hold asset for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

Value Research

e. **Financial asset carried at FVTPL**

Financial asset under this category are measured initially as well as at each reporting date at fair value. Changes in fair value are recognized in the statement of profit or loss.

f. **Financial Guarantee**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Guarantees given on behalf of subsidiaries by parent company without charging any fee is recognised at a value which represents a differential interest rate of borrowing, had there been no financial guarantee issued to the subsidiary. Such determined value is considered as an investment in group companies and the liability recognised is to be amortised to the profit and loss account over the term of the guarantee.

g. **Derecognition of Financial Assets**

A financial asset is primarily derecognized when rights to receive cash flows from the asset have expired or the Company has transferred its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risk and reward of the ownership of the financial asset.

h. **Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

2.9.2 Financial liabilities

a. Initial recognition and measurement

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. The Company classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

b. Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortization is included as finance costs in the statement of profit and loss.

c. Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

2.9.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.9.4 Derivative financial instrument

a. Company uses derivative financial instruments such as forward contracts to mitigate its foreign currency fluctuation risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

b. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

c. For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment;
- Hedges of a net investment in a foreign operation.

Value Research

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

d. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how will the entity assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective if achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

e. Hedges that meet the strict criterial for hedge accounting are accounted for, as described below:

✓ **Fair value hedges**

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the Statement of Profit and Loss as finance costs.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized form commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the Statement of profit and loss.

✓ **Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognized in the OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the Statement of profit and loss. The Company uses forward contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognized in finance costs.

Amounts recognized in OCI are transferred to Statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is a cost of a non-financial asset or non-financial liability, the amounts recognized in OCI are transferred to the initial carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

The Company does not use hedges of net investment.

f. Derecognition

On derecognition of hedged item, the unamortized fair value, of the hedging instrument adjusted to the hedged items is recognized in the Statement of Profit or Loss.

2.10 Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities. 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 best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

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.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

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

➢ Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

➢ Level 3 — inputs that are unobservable for the asset or liability

For the purpose of fair value disclosures, the Company 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.

2.11 Investment in subsidiaries

Investment in subsidiaries are recorded at cost and reviewed for impairment at each reporting date.

2.12 Inventories

Inventories are valued as under:

Cut & Polished Diamonds	Polished diamonds are valued at lower of cost or net realizable value. Cost is ascertained on lot-wise weighted average basis.
Finished Goods of Jewellery	Finished goods are valued at lower of cost or net realizable value. Cost includes direct materials, labour and all other cost related to converting them into finished goods. Cost is determined on specific identification basis
Raw materials	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on specific identification basis. Cost of raw materials comprises of cost of purchase and other cost in bringing the inventory to their present location and condition excluding refundable taxes and duties.
Work-in-progress and Finished goods	Lower of cost and net realizable value. Cost includes direct materials, labour and proportionately all other cost related to converting them into finished goods. Cost is determined on specific identification basis.
Stores and spares	Lower of cost and net realizable value. The cost is computed on moving weighted average.
Traded Goods – Furniture's and accessories	Lower of cost and net realizable value. Cost of traded goods is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Identification of a specific item and determination of estimated net realizable value involve technical judgements of the management supported by valuation from an independent valuer.

2.13 The Company enters into future contracts for purchase of gold to fix the purchase price of gold on the future date, such transactions are entered to protect the risk of gold price movement for expected purchase of gold at future date. The gain/(loss) on change in the fair value of contract are included in cost of material consumed.

2.14 Revenue recognition

According to IND AS 115, entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The control of the products and services were transfer at a time, where in performance obligation and Control of goods or services transferred over a time.

www.valueresearchonline.com, www.valueresearchstocks.com

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

2.14.1 Sale of goods

a. In case of domestic customer, generally performance obligation satisfied and transferred the control when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally performance obligation satisfied and transferred the control, when goods are shipped on board based on bill of lading.

b. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

2.14.2 Sale of services

a. Sale of services comprises of jewellery making charges.

b. Revenue from Jewellery making charges is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.

2.14.3 Other operating revenue

a. Other operating revenue comprises of sale of dust.

b. Revenue from sale of dust is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.

2.15 Other Income

a. Other income comprises of interest income and dividend from investment and profits on redemption of investments.

b. Interest income from financial assets is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to the principal outstanding and at the effective rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c. Dividend income from investment is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably).

d. Profit on redemption of investment is recognized by upon exercise of power by the company to redeem the investment held in any particular security / instrument (non-current as well as current investment).

e. Income other than mentioned above is recognized only when it is reasonably certain that the ultimate collection will be made.

2.16 Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

2.17 Foreign Currency Transactions and Translations

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities at the Balance Sheet date are translated at the exchange rate prevailing on the date of Balance Sheet.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets and liabilities are recognized in the Statement of Profit and Loss.

Non-monetary assets, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income (OCI) or Statement of Profit and Loss are also recognized in OCI or Statement of Profit and Loss, respectively).

Value Research

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

2.18 Employee benefits

2.18.1 Short Term Employee Benefits

Short term employee benefits are recognized in the period during which the services have been rendered.

2.18.2 Long Term Employee Benefits

a. Provident Fund, Family Pension Fund & Employees' State Insurance Scheme

As per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 all employees of the Company are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administered and managed by Government of India. In addition, some employees of the Company are covered under Employees' State Insurance Scheme Act 1948, which are also defined contribution schemes recognized and administered by Government of India.

The Company's contributions to these schemes are recognized as expense in Statement of Profit and Loss account during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

b. Leave Encashment

The Company provides for the liability at year end on account of unavailed earned leave as per the actuarial valuation.

c. Gratuity

The Company provides for gratuity obligations through a Defined Benefits Retirement plan ('The Gratuity Plan') covering all employees. The present value of the obligation under such Defined benefits plan is determined based on actuarial valuation using the Project Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation. The obligation is measured at the present value of the estimated cash flows. The discount rate used for determining the present value of the defined obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized in profit and loss account as and when determined.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding the amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding the amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to Statement of Profit or Loss in subsequent periods.

2.19 Tax

The tax expense for the period comprises current and deferred tax. Taxes are recognised in the statement of profit and loss, except to the extent that it relates to the items recognised in the comprehensive income or in Equity. In which case, the tax is also recognised in the comprehensive income or in Equity.

2.19.1 Current tax

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

2.19.2 Deferred tax

a. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

b. Deferred tax liabilities are generally recognized for all taxable temporary timing difference. Deferred tax assets are recognized for deductible temporary differences to the extent that they are probable that taxable profit will be available against which the deductible temporary difference can be utilized.

c. The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

d. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted on the reporting date.

e. Current and deferred tax for the year are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

f. In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

2.19.3 Minimum Alternate Tax (MAT) Credit

Deferred Tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.20 Segment reporting

The company is primarily engaged in the business of Diamond and Jewellery. This represents a primary segment. However, the Company has two operating/reportable segments based on geographical area, i.e., domestic sales and export sales.

Value Research

2.21 Earnings per share

Basic EPS is calculated by dividing the profit or loss for the period attributable to the equity holders of the parent company by the weighted average number of ordinary shares outstanding (including adjustments for bonus and rights issues).

Diluted EPS is calculated by adjusting the profit or loss and the weighted average number of ordinary shares by taking into account the conversion of any dilutive potential ordinary shares.

Basic and diluted EPS are presented in the statement of profit and loss for each class of ordinary shares in accordance with Ind AS 33.

2.22 Provisions, Contingent Liabilities and Contingent Assets

2.22.1 Provisions

a. Provisions are recognized when the company has present obligation (legal or constructive) as a result of past event and it is probable that 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. The expense related to a provision is presented in the statement of profit and loss net of any reimbursement/contribution towards provision made.

b. If the effect of the time value of money is material, estimate for the 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 recognized as a finance cost.

c. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.22.2 Contingent liability

a. Contingent liability is disclosed in the case;

- When there is a possible obligation which could arise from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or;
- A present obligation that arises from past events but is not recognized as expense because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or;
- The amount of the obligation cannot be measured with sufficient reliability.

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

b. Commitments

Commitments include the value of the contracts for the acquisition of the assets net of advances.

2.22.3 Contingent assets

Contingent asset is disclosed in case a possible asset arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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

2.23 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.24 Cash flow statements

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of Company is segregated.

2.25 Measurement of EBITDA

As permitted by the Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Value Research

3. KEY ACCOUNTING JUDGEMENTS, CRITICSL ESSTIMATES AND ASSUMPTIONS

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are as below:

a. Assessment of functional currency (Refer Note No. 2.2)

b. Financial instruments (Refer Note No. 2.9)

c. Estimates of useful lives and residual value of PPE and intangible assets (Refer Note No. 2.4)

d. Impairment of financial and non-financial assets (Refer Note No. 2.7 & 2.9)

e. Valuation of inventories (Refer Note No. 2.12)

f. Measurement of Defined Benefit Obligations and actuarial assumptions (Refer Note No. 2.17)

g. Allowances for uncollected trade receivable and advances

h. Provisions (Refer Note No. 2.21)

i. Provisions for Current and Deferred Tax (Refer Note No. 2.18)

j. Evaluation of recoverability of deferred tax assets (Refer Note No. 2.18)

k. Contingencies (Refer Note No. 2.21) and

l. Determination of effective portion of Cash flow hedge (Refer Note No. 2.9.4)

m. Estimation / uncertainties relating to global held pandemic on COVID-19 (Refer Note No. 55)

Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

4 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	As at April 1, 2019	Opening Gross Block of Amaglamated Companies as on Apr 01, 2018 (#)	Additions	Disposal / Impairment during the year	As at Mar 31, 2020	As at April 1, 2019	Opening Accumulated Depreciation of Amaglamated Companies as on Apr 01, 2018 (#)	Depreciation charge for the year	Deductions/ Impairment on Disposal	As at Mar 31, 2020	As at Mar 31, 2020	As at April 1, 2019
Land	95.17		-	-	95.17	-		-	-	-	95.17	95.17
Factory Building	1,542.94		-	69.20	1,473.74	1,073.88		43.06	55.57	1,061.37	412.37	469.06
Office Building	407.18		-	-	407.18	181.88		14.09	-	195.97	211.21	225.31
Plant and Machinery	4,339.66		353.99	350.14	4,343.51	2,776.42		319.34	252.60	2,843.16	1,500.35	1,563.24
Electrical Installations	571.29		33.07	46.68	557.68	450.88		26.05	34.51	442.42	115.26	120.41
Office Equipments	879.62		70.25	139.20	810.67	768.52		45.16	130.61	683.07	127.60	111.10
Computers	623.43		52.80	82.83	593.40	581.22		30.07	79.49	531.80	61.60	42.20
Furniture and Fixtures	1,241.01		154.99	149.31	1,246.69	949.92		69.00	130.95	887.97	358.72	291.09
Vehicles	1,787.58		97.14	8.31	1,876.41	1,058.89		244.52	7.90	1,295.51	580.90	728.69
Leasehold Improvements	930.34		25.08	-	955.42	675.32		68.22	-	743.54	211.88	255.02
Total	**12,418.22**	**-**	**787.32**	**845.67**	**12,359.87**	**8,516.93**	**-**	**859.51**	**691.62**	**8,684.82**	**3,675.05**	**3,901.30**
Previous Year	**10,963.06**	**492.27**	**1,566.85**	**603.95**	**12,418.23**	**7,829.43**	**359.91**	**845.98**	**518.39**	**8,516.93**	**3,901.30**	

4 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	As at April 1, 2018	Opening Gross Block of Amaglamated Companies as on Apr 01, 2018	Additions	Disposal during the year	As at Mar 31, 2020	As at April 1, 2018	Opening Accumulated Depreciation of Amaglamated Companies as on Apr 01, 2018	Amortisation for the year	Deductions on Disposal	As at Mar 31, 2020	As at Mar 31, 2020	As at April 1, 2018
Software	532.07		40.66	343.37	229.36	510.64		14.83	340.31	185.16	44.20	21.44
Total	**532.07**	**-**	**40.66**	**343.37**	**229.36**	**510.64**	**-**	**14.83**	**340.31**	**185.16**	**44.20**	**21.44**
Previous Year	**186.76**	**550.27**	**1.95**	**206.90**	**532.07**	**157.94**	**413.23**	**33.82**	**94.35**	**510.64**	**21.44**	

1. Working capital borrowing are secured by hypothication of fixed assets of the company (Refer Note No. 22)

2. (#) Following assets were acquired on accounts of amalgamation of subsidary companies (Refer Note No. 42)

3. Balance useful life as at March 31, 2020 ranges from 1 to 3 years.

4. Assets Impaired during the year at ended March 31, 2020 ₹ 121.42 Lakhs

Particulars	Amount
Plant & Machinery	62.37
Computers	3.34
Office Equipments	4.57
Air conditioner	3.97
Electrical Installation	12.10
Furniture & Fixtures	18.37
Software	3.06
Building	13.64
Total	**121.42**

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

4A CAPTAIL WORK IN PROGRESS

Reconciliation of carrying amount

(₹ in Lakhs)

Particulars	Capital work in Progress (2019-20)	Capital work in Progress (2018-19)
Balance as at April 01	**11.28**	**294.52**
Additions	81.58	224.67
Capitalisation	84.50	507.91
Balance as at March 31	**8.36**	**11.28**

4B RIGHT-OF-USE ASSETS*

Gross carrying amount

(₹ in Lakhs)

Particulars	Right of Use assets
Balance as at April 01, 2019	**142.68**
Additions	137.89
Disposals	-
Balance as at March 31, 2020	**280.57**
Accumulated Depreciation	-
Balance as at April 01, 2019	**142.68**
Depreciation Charge for the year	103.44
Balance as at March 31, 2020	**177.13**
Net Carrying Amount	
Balance as at April 01, 2019	**142.68**
Balance as at March 31, 2020	**177.13**

** Refer Note No. 45 on Leases.*

5 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in Equity Instruments Unquoted		
(At Fair Value through OCI)		
The Saraswat Co-op Bank Limited		
No. of shares Mar 31, 2020 : 10 (Value ₹ 100)	-	-
No. of shares Mar 31, 2019 : 10 (Value ₹ 100)		
In Equity Shares Unquoted		
Direct Subsidiary Companies (At Cost) : (Refer Note No. 44)		
Renaissance Jewelry N.Y Inc without par value	5,082.74	5,082.74
No. of shares Mar 31, 2020 : 100		
No. of shares Mar 31, 2019 : 100		
Verigold Jewellery (UK) Ltd of GBP 1/- each	309.72	309.72
No. of shares Mar 31, 2020 : 450,000		
No. of shares Mar 31, 2019 : 450,000		
Renaissance Jewellery Bangladesh Pvt. Ltd of Tk 100/- each	1,371.87	1,371.87
No. of shares Mar 31, 2020 : 2,122,063		
No. of shares Mar 31, 2019 : 2,122,063		
Verigold Jewellery DMCC of AED 1000/- each	51.04	51.04
No. of shares Mar 31, 2020 : 300		
No. of shares Mar 31, 2019 : 300		
	6,815.37	**6,815.37**
Less: Provision for diminution in the value of investment (Refer Note No. 52)	1,003.97	596.83
Total	**5,811.40**	**6,218.54**

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
In Mutual Funds Unquoted		
(At Fair value through OCI)		
SBI PSU Fund (Growth Plan) of ₹ 10/- each	7.61	10.50
No. of units Mar 31, 2020 : 100,000		
No. of units Mar 31, 2019 : 100,000		
HDFC Small Cap Fund (Direct Growth Plan)	149.40	-
No. of units Mar 31, 2020 : 10,62,992.96		
No. of units Mar 31, 2019 : Nil		
Total	**157.01**	**10.50**
TOTAL NON-CURRENT FINANCIAL ASSETS	**5,968.41**	**6,229.04**
Aggregate amount of unquoted investments	**5,968.41**	**6,229.04**
Category-wise Non current investment		
Financial assets carried at cost (net of provision for diminution)	5,811.40	6,218.54
Financial assets measured at Fair Value through profit and loss account	-	-
Financial assets carried at Fair Value through OCI	157.01	10.50

6 NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured considered good)		
Security Deposits	223.26	181.40
Deposits with original maturity for more than 12 months	22.85	26.21
Interest accrued on fixed deposits	17.56	14.84
Maring money for Gold Contracts*	**235.70**	**0.00**
Total	**499.37**	**222.45**

**Net of Fair Value Change of Outstanding Options (Refer Note No. 38)*

7 DEFERRED TAX ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liability:		
Fair valuation of financial instruments	-	50.90
Fair Valuation of Forward Contracts	-	453.50
	-	**504.40**
Deferred tax assets:		
Property plant and equipment	396.57	98.45
Employee benefits	139.08	75.65
Provision for Expected Credit Loss	3.06	0.59
Provision for dimunition in value of investment	233.90	139.04
Fair valuation of financial instruments	78.78	-
Fair Valuation of Forward Contracts	783.03	-
Lease Liability (IND-AS 116)	30.60	-
MAT credit entitlement	1053.58	1347.35
	2718.60	**1661.07**
Deferred tax assets (net) (Refer Note No. 39) **Total**	**2718.60**	**1156.67**

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

8 OTHERS NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	74.65	67.69
Security Deposits	13.17	13.13
Prepaid expenses and deferrment	8.94	9.44
Leasehold Land Premium - Operating Lease	0.00	39.96
Total	**96.76**	**130.22**

9 CURRENT ASSETS INVENTORIES*

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials		
Gems and diamonds	8466.14	7276.67
Gold, Silver and others	1022.04	539.40
Work-In-progress	15297.21	19437.36
Manufactured Jewellery (Finished Goods)	583.26	2434.43
Traded goods	90.94	2713.39
Promotional items	0.00	27.99
Consumable,tools and spares	330.65	419.90
Total	**25790.24**	**32849.14**

* Working capital borrowing are secured by hypothication of inventories of the company (Refer Note No. 22)

10 CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
In Equity Shares Quoted (At fair value through OCI)		
Bajaj Finance Limited of ₹ 2 each	304.81	33.28
No. of shares Mar 31, 2020 : 13,756		
No. of shares Mar 31, 2019 : 1,100		
Central Depository Services India Limited of ₹ 10 each	0.00	26.50
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 10,926		
Dollar Industries Limited of ₹ 2 each	0.00	118.30
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 41,300		
Dr. Lal Path Labs Limited of ₹ 10 each	0.00	48.64
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 4,658		
Housing Development Finance Corpn. Ltd. of ₹ 2 each	380.51	0.00
No. of shares Mar 31, 2020 : 23,300		
No. of shares Mar 31, 2019 : Nil		
Kotak Mahindra Bank Ltd of ₹ 5 each	681.55	254.18
No. of shares Mar 31, 2020 : 52,587		
No. of shares Mar 31, 2019 : 19,047		
La Opala RG Ltd of ₹ 2 each	0.00	88.71
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 40,900		

Value Research

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Repco Home Finance Limited of ₹ 10 each	0.00	114.21
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 24,603		
Shemaroo Entertainment Limited of ₹ 10 each	0.00	100.46
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 24,690		
SRG Housing Finance Limited of ₹ 10 each	0.00	141.23
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 55,822		
Safari Industries India Ltd of ₹ 2 each	73.82	103.25
No. of shares Mar 31, 2020 : 18,383		
No. of shares Mar 31, 2019 : 14,250		
Thyrocare Technologies Ltd of ₹ 10 each	0.00	40.04
No. of shares Mar 31, 2020 : Nil		
No. of shares Mar 31, 2019 : 7,499		
V-Mart Retail Limited of ₹ 10 each	58.93	228.85
No. of shares Mar 31, 2020 : 4,146		
No. of shares Mar 31, 2019 : 8,494		
ICICI Liquid Fund - Direct Plan - Daily Dividend	0.00	492.93
No. of units Mar 31, 2020 : Nil		
No. of units Mar 31, 2019 : 492,396.372		
Total	**1499.62**	**1790.58**
Aggregate amount of unquoted investments	0.00	492.93
Aggregate amount of quoted investments - At Cost	1847.52	1006.83
Aggregate amount of quoted investments - At Market Value	1499.62	1297.65

Value Research

11 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLE *

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Considered Good	35809.23	35951.34
Doubtful	8.77	4.17
	35818.00	**35955.51**
Less: Provision for doubtful receivables	8.77	4.17
Total	**35809.23**	**35951.34**

The movement in Allowance for bad and doubtful debts is as follows: (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at beginning of the year	4.17	8.41
Allowancefor bad and doubful debts during the year	4.59	(4.23)
Less : Trade receivable written off during the year	-	-
Total	**8.77**	**4.17**

** Working capital borrowing are secured by hypothication of trade receivables of the Company (Refer Note No. 22)*

Refer Note No. 44 for Related Party Transaction

Refer Note No. 55 for Balance Confirmation

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

12 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks	5335.82	572.23
Cash on hand	22.22	9.72
Cheque on Hand	35.91	-
Deposits with original maturity of less than 3 months	1671.00	588.89
Total	**7064.95**	**1170.84**

13 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unclaim dividend account	2.91	3.35
Margin Money Deposit with banks against gold loan	66.40	73.20
Deposits with original maturity of more than 3 months but less than 12 months	482.25	648.75
Total	**551.56**	**725.30**

14 CURRENT FINANCIAL ASSETS - LOANS

Value Research

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Loan to Employees	41.13	23.11
Total	**41.13**	**23.11**

15 CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Forward contract receivable (net)	0.00	1297.80
Interest accrued on fixed deposits	36.04	32.29
Others	288.19	5.54
Total	**324.23**	**1335.63**

16 OTHERS CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	0.00	0.30
Prepaid expenses and deferrment	162.93	232.31
Advance recoverable in cash or in Kind	227.58	411.14
Balance with statutory/government authorities	883.92	1137.13
Other	1.44	1.38
Total	**1275.87**	**1782.26**

Refer Note No. 55 for Balance Confirmation

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

17 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorized		
88,700,000 Mar 31, 2020 : (88,700,000 March 31, 2019)	8,870.00	8,870.00
equity shares of ₹ 10/- each		
10,000,000 Mar 31, 2020 : (10,000,000 March 31, 2019)	1,000.00	1,000.00
Eight years 0% optionally convertible or Redeemable Non-Cumulative		
Preference Shares of ₹ 10/- each		
Issued, subscribed and fully paid-up		
18,879,440 Mar 31, 2020 : (18,879,440 March 31, 2019)	1,887.94	1,887.94
equity shares of ₹ 10/- each		
RJL-Employee welfare Trust for Investment in Shares	(19.64)	(19.64)
Total	**1,868.30**	**1,868.30**

a. **Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.**

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	18,879,440	1,887.94	18,879,440	1,887.94
Total	**18,879,440**	**1,887.94**	**18,879,440**	**1,887.94**

b. **Terms/rights attached to equity shares**

The company has only one class of issued shares having par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share and carries identical right as to dividend. These shares are not subject to any restrictions.In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distrubution of all preferential amounts. The distribution will be in proportion to the numbers of equity share held by the shareholders.

c. **Details of shareholders holding more than 5% shares in the company.**

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares of ₹ 10/- each				
fully paid up				
Mr. Sumit N. Shah	4,128,037	21.87	4,128,037	21.87
Kothari Descendents Private Trust	2,671,916	14.15	2,671,916	14.15
Niranjan Family Private Trust	2,580,112	13.67	2,580,112	13.67
Mr. Hitesh M. Shah	1,335,958	7.08	1,335,958	7.08
Ms. Pinky D. Shah	1,068,766	5.66	1,068,766	5.66

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

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

18 OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserve and Surplus					Items of Other Comprehensive Income (OCI)					Other Component of Equity on shares issued under ESPS	Own Shares held by ESPS Trusts	Total Other equity attributable to Equity holders of the company
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve (CRR)	Effective portion of Cash Flow Hedge Reserve	Remeasurement of Acturial Gain or Loss	Equity Instruments through OCI	Mutual Fund Equity Instruments through OCI	Mutual Fund Debts Instruments through OCI			
As at April 1, 2018 (Ind AS) (A)	**380.00**	**7,129.54**	**254.00**	**32,075.52**	**20.00**	**295.13**	**4.76**	**570.28**	**3.48**	**-**	**559.01**	**(78.56)**	**41,213.16**
Add / (Less):													
Profit / (Loss) for the year	-	-	-	2,653.55	-	-	-	-	-	-	-	-	2,653.56
Fair Value of changes on derivatives designated as Cash flow reserves (net of tax)	-	-	-	-	-	549.19	-	-	-	-	-	-	549.18
Re-measurement gains (losses) on defined benefit plans (net of tax)	-	-	-	-	-	-	(2.57)	-	-	-	-	-	(2.57)
Fair value change of financial instruments through OCI (net of tax)	-	-	-	-	-	-	-	84.03	8.22	-	-	-	92.25
De-recognition of financial instruments (net of tax)	-	-	-	425.58	-	-	-	(414.29)	(11.29)	-	-	-	(0.00)
Total adjustments (C)	**-**	**-**	**-**	**3,079.14**	**-**	**549.19**	**(2.57)**	**(330.26)**	**(3.07)**	**-**	**-**	**-**	**3,292.42**
As at March 31, 2019 (Ind AS) (A) + (B)	**380.00**	**7,129.54**	**254.00**	**35,154.66**	**20.00**	**844.32**	**2.19**	**240.02**	**0.41**	**-**	**559.01**	**(78.56)**	**44,505.58**
Add / (Less):													
Profit / (Loss) for the year	-	-	-	3,180.23	-	-	-	-	-	-	-	-	3,180.23
Fair Value of changes on derivatives designated as Cash flow reserves (net of tax)	-	-	-	-	-	(2,302.08)	-	-	-	-	-	-	(2,302.08)
Fair value change of financial instruments through OCI (net of tax)	-	-	-	-	-	-	-	(694.27)	(180.09)	-	-	-	(874.36)
Transition effect on Implementation of IND-AS 116	-	-	-	(63.62)	-	-	-	-	-	-	-	-	(63.62)
De-recognition of financial instruments (net of tax)	-	-	-	(261.83)	-	-	-	167.14	94.69	-	-	-	-
Total adjustments (C)	**-**	**-**	**-**	**2,854.78**	**-**	**(2,302.08)**	**-**	**(527.12)**	**(85.40)**	**-**	**-**	**-**	**(59.83)**
As at March 31, 2020 (Ind AS) (B) + (C)	**380.00**	**7,129.54**	**254.00**	**38,009.44**	**20.00**	**(1,457.76)**	**2.19**	**(287.10)**	**(84.99)**	**-**	**559.01**	**(78.56)**	**44,445.76**

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

19 NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loans		
Vehicle Loan	18.34	113.46
Total	**18.34**	**113.46**

All two standing vehicle loans are secured by hypothecation of vehicles and balance amount is repayable in 10 EMI of ₹ 6.30 Lakhs and 18 EMI of ₹ 3.17 Lakhs inclusive of interest on reducing balance. (Refer Note No. 25)

20 NON CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liability (Refer Note No.45)	142.46	0.00
Total	**142.46**	**0.00**

21 NON CURRENT LIABILITIES - PROVISIONS

Value Research

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer Note No.37)		
Gratuity	172.21	90.99
Leave encashment	65.86	48.70
Total	**238.07**	**139.69**

22 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured *		
Working Capital Finance from banks denominated in		
Foreign Currency	20,222.86	19,844.82
Indian Currency	-	1,003.11
Unsecured **		
Loan from related parties repayable on demand		
Inter Corporate Deposit (Refer Note No. 44)	370.00	300.00
Total	**20,592.85**	**21,147.92**

** The Working Capital Loan is secured by first charge on pari passu basis by way of hypothecation and/or pledge of company's current assets both present and future, by way of joint equitable mortgage of Company's factory premises situated at Plot Nos. 36A and 37 (Mumbai), at Plot No. 2302 (Bhavnagar) and office premises situated bearing no CC9081 with car parking situated at Bharat Diamond Bourse and hypothecation of machinery and plant, furniture and fixtures, electrical installations, office equipments, erected and installed therein and by personal guarantee of some of the directors / promoters. The working capital finance is generally having tenure of 180 days. The Foreign currency loans carries interest rate @ LIBOR plus 2% to 4% and Indian currency Loans carries interest rate @ 9% to 10%.*

*** Inter Corporate Deposit carries Interest Rate of 9% and repayable within six months or earlier at the option borrower company.*

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of small enterprises and micro enterprises (Refer Note No. 49)	0.24	1.60
Total outstanding dues of creditors other than small enterprises and micro enterprises (Refer Note No. 44)	15,321.14	18,943.28
Total	**15,321.38**	**18,944.88**

Refer Note No. 55 for Balance Confirmation

24 CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of Long term debt		
Vehicle loan from bank (secured)#	95.11	98.23
Forward contract payable (net)	2,240.81	-
Salaries, wages and other payables	300.68	275.14
Unclaim dividend	2.91	3.35
Interest accrued on ICD (Related party) (Refer Note No. 45)	7.45	5.99
Lease Liability	80.06	-
Payable to Others	11.14	3.87
Total	**2,738.15**	**386.57**

 # All two standing vehicle loans are secured by hypothecation of vehicles and balance amount is repayable in 10 EMI of ₹ 6.30 Lakhs and 18 EMI of ₹ 3.17 Lakhs inclusive of interest on reducing balance.

25 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues payable	109.85	91.80
Bank overdrawn as per Books	-	305.03
Total	**109.85**	**396.83**

26 CURRENT LIABILITIES - PROVISONS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer Note No.37)		
Gratuity	148.78	137.89
Leave encashment	11.17	8.99
Total	**159.95**	**146.88**

www.valueresearchonline.com, www.valueresearchstocks.com

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

27 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products		
Jewellery, Gems and Diamonds	125,918.51	127,628.67
Furniture and accessories	53.77	133.96
Service Income		
Jewellery making charges	93.07	57.14
Other Operating revenues		
Sale of Dust	-	0.97
Total	**126,065.35**	**127,820.74**

Reconciliation of revenue recongnished in the statement of profit and loss with the contracted price:

(₹ in Lakhs)

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
Contract Price		126,268.68	127,939.62
Less : Discount		60.11	118.88
Less : Sales Return		143.22	-
REVENUE FROM OPERATIONS	**Total**	**126,065.35**	**127,820.74**

Value Research

28 OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on		
Bank deposits	93.84	81.96
Others	8.08	10.63
Financial Instruments measured at FVTPL	1.65	0.66
Exchange Difference (net)	755.12	-
Rent Income	10.08	17.34
Miscellaneous income	16.26	13.36
Dividend income on current investment at FVTOCI	18.38	5.34
Reversal of expected credit loss	-	4.23
Profit on sale of assets	14.52	-
Total	**917.93**	**133.52**

29 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock *		9,971.02	10,105.39
Add : Purchases made during the year		82,476.54	85,914.96
Add : Other direct cost		250.63	237.31
		92,698.19	**96,257.66**
Less : Inventory at the end of the year*		9,575.94	9,971.02
Total cost of materials consumed	**Total**	**83,122.25**	**86,286.64**

** Includes Stock in trade of Colour stones and Diamonds.*

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Details of materials consumed		
Colour Stone	3,550.72	2,528.79
Diamond	54,422.93	61,463.94
Gold	18,515.54	16,125.43
Silver	2,403.01	1,870.49
Others	4,230.06	4,297.99
Total	**83,122.25**	**86,286.64**
Details of inventory		
Colour Stone	860.66	728.51
Diamond	7,693.24	8,703.10
Gold	879.32	375.40
Silver	26.64	5.12
Others	116.09	158.89
Total	**9,575.94**	**9,971.02**

30 PURCHASE OF TRADED GOODS

Value Research

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of Traded Goods		
Jewellery, Gems and Diamonds	12,199.22	22,137.08
Total	**12,199.22**	**22,137.08**

31 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN PROGRESS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the end of the year		
Work-In-progress	15,297.21	19,437.36
Finished goods	583.26	2,434.43
Furniture and accessories	-	555.27
Total	**15,880.47**	**22,427.06**
Inventories at the beginning of the year		
Work-In-progress	19,437.36	15,369.34
Finished goods	2,434.43	650.42
Furniture and accessories	555.27	1,238.38
Total	**22,427.06**	**17,258.14**
Total (Increase)/Decrease in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	**6,546.59**	**(5,168.91)**
Details of inventory		
Work-in-progress		
Jewellery	15,297.21	19,437.36
Finished Goods		
Jewellery	583.26	2,434.43
Furniture and accessories	-	555.27

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

32 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	3,173.95	2,971.18
Contribution to provident and other funds	154.79	156.70
Gratuity expense (Refer Note No.37)	168.19	64.16
Leave salary	50.06	19.38
Staff welfare expenses	316.38	365.37
Total	**3,863.37**	**3,576.79**

33 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spare parts	1,491.03	1,448.84
Power and fuel	774.75	723.19
Water charges	73.92	68.33
Jewellery making charges	8,621.73	7,644.02
Freight and forwarding charges	249.89	225.90
Rent (Refer Note No. 45)	50.85	205.11
Rates and Taxes	69.61	48.37
Director Sitting fees	12.50	14.90
Exchange Difference (net)	-	2,123.37
Insurance	234.23	185.27
Repairs and maintenance		
Buildings	17.30	6.27
Machinery	58.44	33.34
Others	212.97	186.79
Payment to auditor	50.45	50.00
CSR Contribution / Expenditure	80.32	101.22
Donation	1.34	1.24
Loss on sale of assets	-	160.01
Bank Charges	367.81	383.79
Expected credit loss	7.08	-
Miscellanueous expenses	2,356.78	2,063.95
Total	**14,731.00**	**15,673.91**
Payment to auditor		
As auditor:		
Audit fee	50.00	50.00
Tax audit fee	-	-
In other capacity:		
Taxation	-	-
Other services	0.45	-
Total	**50.45**	**50.00**

34 FINANCE COST

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense	1,021.24	962.30
Interest on Leases	22.89	-
Total	**1,044.13**	**962.30**

Value Research

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

35 DEPRECIATION, AMORTISATION AND IMPAIRMENT

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of tangible assets	859.51	845.98
Impairment of tangible assets	121.41	-
Amortization of intangible assets	14.83	33.82
Amortization of Right of use assets	103.44	-
Amortization of leasehold land	-	3.63
Total	**1,099.19**	**883.43**

36 TAX EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. The major components of income tax expense for the year are as under :		
i. Tax expense recognized in the statement of profit and loss		
Current Tax expense:		
Current tax on profit for the year	1,268.75	783.43
Short/(Excess) Provision of tax relating to earlier years	(23.26)	-
MAT credit in respect of earlier years	-	-
Deferred Tax expense:		
Deferred Tax expenses	(455.31)	97.53
Total tax expense recognized in the statement of profit and loss	**790.17**	**880.96**
ii. Tax expense recognized in other comprehensive income		
Items that will not be reclassified to profit and loss		
Re-measurement of defined benefit plan	-	1.98
Fair valuation of equity instruments	111.60	(13.96)
Fair valuation of mutual fund	18.08	(1.74)
Items that will be reclassified to profit and loss		
Fair valuation of cash flow hedge	1,236.53	(294.98)
Total Tax expense recognized in other comprehensive income	**1,366.21**	**(308.71)**
B. Reconciliation of tax expense and the accounting profit for the year is under.		
Accounting Profit before income tax expenses		
Enacted tax rate in India (%)	3,970.40	3,534.52
Expected income tax expense	34.944%	34.944%
Tax effect of :	1,387.42	1,235.10
Expenses not deductible	134.84	72.35
Tax exempt income	(6.42)	(1.86)
Allowances and concessions	(768.07)	(385.32)
Accelerated capital allowances	65.67	(39.31)
Tax expenses recognized in statement of profit and loss	**813.43**	**880.96**
Adjustments recognized in current year in relation to the current tax (Including MAT credit entitlement) of earlier years	(23.26)	-
Income Tax Expenses	**790.17**	**880.96**
Effective tax rate (%)	**20.49%**	**24.92%**

Value Research

VALUE RESEARCH PREMIUM

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

37 EMPLOYEE BENEFITS

a. Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year are as under:

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident Fund & Family Pension Fund	123.16	113.07
Employer's Contribution to Employees' State Insurance Scheme	31.63	43.62

b. Defined Benefit plan - Gratuity

The Company operates single type of Gratuity plans wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining and eligibility terms. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the standalone balance sheet for the respective plans.

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)		Gratuity (Funded)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
i) Changes in Present Value of Defined Benefit Obligation during the year				
Opening Defined Benefit Obligation	7.08	6.16	537.85	480.48
Interest cost	-	0.42	40.18	36.33
Current service cost	-	0.93	112.23	45.16
Past service cost	-	-	-	-
Benefits paid/Transfer from the fund	(7.08)	-	(23.44)	(38.27)
Actuarial (Gains)/Losses on Obligations				
Due to Change in Financial Assumptions	-	-	-	3.00
Due to Experience	-	(0.43)	-	11.15
Closing defined benefit obligation	**-**	**7.08**	**666.83**	**537.85**
ii) Changes in Fair Value of Plan Assets during the year				
Opening fair value of planned assets			316.05	247.16
Interest Income			(15.77)	18.69
Contributions by employer			69.00	80.00
Benefits paid			(23.44)	(38.27)
Return on Plan Assets, Excluding Interest Income			-	8.47
Closing fair value of plan assets			**345.84**	**316.05**
The company expects to contribute ₹ 148.77 Lakhs to gratuity in the next year (March 31, 2019 : ₹ 135.39 Lakhs)				
iii) Net (asset)/liability recognized in the balance sheet				
Present Value of Benefit Obligation at the end of the year	-	(7.08)	(666.83)	(537.85)
Fair Value of Plan Assets at the end of the year	-	-	345.84	316.05
Net (asset)/liability recognized in the Balance Sheet	-	(7.08)	(320.99)	(221.80)
Net liability – current (Refer Note No.26)	-	2.50	148.78	135.39
Net liability – non current (Refer Note No.21)	-	4.58	172.21	86.41

www.valueresearchonline.com, www.valueresearchstocks.com

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

(₹ in Lakhs)

	Particulars	Gratuity (Unfunded)		Gratuity (Funded)	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
iv)	**Expenses recognized in the statement of profit and loss for the year**				
	Current Service Cost	-	0.93	112.23	45.16
	Net Interest Cost	-	0.42	55.95	17.64
	Past service cost	-	-	-	-
	Expenses recognized	**-**	**1.35**	**168.18**	**62.80**
v)	**Recognized in other comprehensive income for the year**				
	Actuarial (Gains)/Losses on Obligations				
	Due to Change in Financial Assumptions	-	-	-	3.00
	Due to Experience	-	(0.43)	-	11.15
	Return on Plan Assets, Excluding Interest Income	-	-	-	(8.47)
	Net (Income)/Expense For the Period Recognized in OCI	-	(0.43)	-	5.68
vi)	**Actuarial assumptions**				
	Expected Return on Plan Assets			6.04%	7.47%
	Rate of Discounting			6.04%	7.47%
	Rate of Salary Increase			5.00%	5.00%
	Rate of Employee Turnover			8.00%	8.00%
vii)	**Maturity profile of defined benefit obligation**				
	Within 1 year	-	2.50	104.02	72.39
	1-2 Year	-	1.88	54.51	65.76
	2-3 Year	-	1.27	53.08	47.48
	3-4 Year	-	0.85	57.98	66.65
	4-5 Year	-	0.58	49.97	46.85
	Above 5 Years	-	1.02	763.38	698.49
viii)	**Sensitivity analysis for significant assumptions is as below**				
	Projected Benefit Obligation on Current Assumptions	-	7.08	666.83	537.85
	Delta Effect of +1% Change in Rate of Discounting	-	(6.93)	(40.60)	(31.47)
	Delta Effect of -1% Change in Rate of Discounting	-	(7.24)	46.26	35.87
	Delta Effect of +1% Change in Rate of Salary Increase	-	(7.21)	41.97	32.61
	Delta Effect of -1% Change in Rate of Salary Increase	-	(6.96)	(37.89)	(29.50)
	Delta Effect of +1% Change in Rate of Employee Turnover	-	-	(3.95)	(7.56)
	Delta Effect of -1% Change in Rate of Employee Turnover	-	-	(4.40)	(8.48)

ix) Investment details

The company made annual contribution to the PNB Metlife India Insurance Co. Ltd. (PNB) of an amount advised by the PNB. The company was not informed by PNB of the investments made or the break-down of the plan assets by investment type.

Value Research

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

38 FAIR VALUE MEASUREMENT

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

(₹ in Lakhs)

Particulars	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Assets at amortized cost (non-current)				
Deposits with original maturity for more than 12 months	22.85	26.21	22.85	26.21
Security Deposits	223.26	181.40	223.26	181.40
Maring money held with Broker	235.70	-	235.70	-
Others	17.56	14.84	17.56	14.84
Financial Assets at Fair value through OCI (non-current)				
Investments in Mutual fund	157.01	10.50	157.01	10.50
Investments in Shares	-	-	-	-
Financial Assets at amortized cost (current)				
Trade receivables	35,809.23	35,951.34	35,809.23	35,951.34
Cash and cash equivalents	7,064.95	1,170.84	7,064.95	1,170.84
Bank Balances other than Cash and cash equivalents	551.56	725.30	551.56	725.30
Loan to employees	41.13	23.11	41.13	23.11
Inter Corporate Deposit	-	-	-	-
Others	324.23	32.29	324.23	32.29
Financial Assets at Fair value through OCI (current)				
Investments in equity shares	1,499.62	1,297.65	1,499.62	1,297.65
Investments in mutual fund	-	492.93	-	492.93
Forward contract	-	1,297.80	-	1,297.80
Financial liabilities at amortized cost (non-current)				
Borrowings	2,481.67	113.46	2481.67	113.46
Financial liabilities at amortized cost (current)				
Borrowings	20,592.85	21,147.92	20,592.85	21,147.92
Trade Payables	15,321.38	18,944.88	15,321.38	18,944.88
Other financial liabilities	497.34	386.57	497.34	386.57
Financial Liabilities at Fair value through OCI (current)				
Forward contract	2,240.81	-	2,240.81	-

Value Research

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

B) Level wise disclosures of financial assets and liabilities by categories are as follows :

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019	Level	Valuation techniques and key inputs
Financial Assets at Fair value through OCI (non-current)				
Investments in Mutual fund	157.01	10.50	1	Quoted NAV in active markets.
Financial Assets at Fair value through OCI (current)				
Investments in equity shares	1,499.62	1,297.65	1	Quoted closing price in active markets.
Investments in mutual fund	-	492.93	1	Quoted NAV in active markets.
Forward contract	-	1,297.80	2	Forward contracts are valued using readily available information from the banks.
Financial Liabilities at Fair value through OCI (current)				
Forward contract	2,240.81	-	2	Forward contracts are valued using readily available information from the banks.

Fair value of cash and cash equivalents, short term loans, trade receivables, trade payables, other financial assets/liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2020.

During the reporting period ended March 31, 2020 and March 31, 2019, there were no transfers between level 1 and level 2 fair value measurements.

39 DEFERRED TAX

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

As at March 31, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2019	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at March 31, 2020
Tax effect of item constituting deferred tax liabilities				
Fair valuation of financial instruments	50.90	-	(50.90)	-
Fair Valuation of Forward Contracts	453.50	-	(453.50)	-
Total	**504.40**	**-**	**(504.40)**	**-**
Tax effect of item constituting deferred tax assets				
Property plant and equipment	98.45	298.12	-	396.57
Employee benefits	75.65	14.83	48.60	139.08
Provision for Expected Credit Loss	0.59	2.47	-	3.06
Provision for Dimunition in value of Investment	139.04	94.86	-	233.90
Fair valuation of financial instruments	-	78.78	-	78.78
Fair Valuation of Forward Contracts	-	783.03	-	783.03
Lease Liability (IND-AS 116)	-	30.60	-	30.60
MAT credit entitlement	1,347.35	-	(293.77)	1,053.58
Total	**1,661.07**	**1,302.69**	**(245.17)**	**2,718.60**
Net deferred tax liability/ (asset)	**(1,156.67)**	**(1,302.69)**	**(259.23)**	**(2,718.60)**

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

As at March 31, 2019 (₹ in Lakhs)

Particulars	As at March 31, 2018	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at March 31, 2019
Tax effect of item constituting deferred tax liabilities				
Fair valuation of financial instruments	81.36	-	(30.46)	50.90
Fair Valuation of Forward Contracts	158.52	-	294.98	453.50
Total	**239.88**	**-**	**264.53**	**504.40**
Tax effect of item constituting deferred tax assets				
Property plant and equipment	205.09	(106.65)	-	98.45
Employee benefits	78.15	(4.48)	1.98	75.65
Provision for Expected Credit Loss	2.94	(2.35)	-	0.59
Provision for Dimunition in value of Invesment	123.08	15.95	-	139.03
MAT credit entitlement	1,386.35	-	(39.00)	1,347.35
Total	**1,795.62**	**(97.53)**	**(37.02)**	**1,661.07**
Net deferred tax liability/ (asset)	**(1,555.74)**	**97.53**	**301.54**	**(1,156.67)**

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management framework

Company's board of directors has overall responsibility for establishment of Company's risk management framework. Management is responsible for developing and monitoring Company's risk management policies, under the guidance of Audit Committee. Management identifies, evaluates and analyses the risks to which is company is exposed to and set appropriate risk limits and controls to monitor risks and adherence to limits.

Management periodically reviews its risk policy and systems to assess need for changes in the policies to adapt to the changes in market conditions and align the same to the business of the Company. Management through its interaction and training to concerned employees aims to maintain a disciplined and constructive control environment in which concerned employees understand their roles and obligations. The Audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks to which Company is exposed. The Audit committee is assisted in its role by the internal auditor wherever required. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

Company has exposure to following risks arising from financial instruments:

a) Credit risk
b) Liquidity risk
c) Market risk

a) Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions, foreign exchange transactions and other financial instruments.

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit standards and financial strength. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the several counterparties.

Credit risk arising from derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the reputed credit rating agencies.

www.valueresearchonline.com, www.valueresearchstocks.com

VALUE RESEARCH PREMIUM

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

As regards, credit risk for investment in equity shares, the Company limits its exposure to credit risk by investing mainly in scrips which are of high credibility. Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, Company adjusts its exposure to various counterparties from time to time.

As regards, credit risk for investment in mutual funds, the Company limits its exposure to credit risk by investing mainly in debt securities issued by mutual funds which are of high credit ranking from rating agency like CRISIL or the equivalent rating agency. Company monitors changes in credit risk by tracking published external credit ranking. Based on its on-going assessment of counterparty risk, Company adjusts its exposure to various counterparties from time to time.

Credit risk from Trade receivables is managed by the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are mainly from reputed debtors and are non-interest bearing. Trade receivables generally ranges from 30 - days to 180- days credit term. Credit limits are established for all customers based on internal criteria and any deviation in credit limit requires approval of Head of the department and / or Directors depending upon the quantum and overall business risk. Majority of the customers have been doing business with the company for more than 3 years and they are being monitored by individual business managers who deals with those customers. Management monitors trade receivables on regular basis and takes suitable action where needed to control the receivables crossing set criteria / limits.

Management does an impairment analysis at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Further, the Company's customers base is widely distributed both economically as well as geographically and in view of the same, the quantum risk also gets spread across wide base and hence management considers risk with respect to trade receivable as low.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Value Research

Expected credit loss for trade receivables under simplified approach as at the end of each reporting period is as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gross carrying amount	35,818.00	35,955.51
Expected credit loss at simplified approach	8.77	4.17
Carrying amount of trade receivables (net of impairment)	**35,809.23**	**35,951.34**

Aging of Trade receivable (₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Not Due	26,121.26	29,617.12
0-90 Days	9,566.39	5,656.49
91-180 Days	63.50	577.96
181 Days and above	66.85	103.94
Total	**35,818.00**	**35,955.51**

b) Liquidity risk:

Liquidity risk is the risk that Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash or cash equivalent available to meet all its normal operating commitments in a timely and cost-effective manner. Working capital requirements are adequately addressed by internally generated funds and through working capital loans available from various banks. Trade receivables are kept within manageable levels. Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next three to six months.

www.valueresearchonline.com, www.valueresearchstocks.com

Notes to Standalone Financial Statements *(Contd...)*
For the year ended March 31, 2020

Maturity patterns of borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	0-1 year	1-5 years	Total	0-1 year	1-5 years	Total
Long term borrowings (Including current maturity of long term debt)	-	18.34	18.34	-	113.46	113.46
Short term borrowings	20,592.86	-	20592.86	21147.93	-	21,147.93
Total	**20,592.86**	**18.34**	**20,611.20**	**21,147.93**	**113.46**	**21,261.39**

Maturity patterns of other financial liabilities

(₹ in Lakhs)

As at March 31, 2020	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	Beyond 12 months	Total
Trade Payable	-	10,984.17	927.51	907.33	2,502.37	15,321.38
Payable related to Capital goods	-	11.14	-	-	-	11.14
Lease Liabilities	-	26.07	20.13	33.86	-	80.06
Other Financial Liability	-	311.81	-	2,343.37	2.91	2,658.09
Current maturities of Long term debt	-	26.01	26.62	42.48	-	95.11
Total	-	**11,359.20**	**974.26**	**3,327.04**	**2,505.28**	**18,165.77**

Value Research

(₹ in Lakhs)

As at March 31, 2019	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	Beyond 12 months	Total
Trade Payable	-	17,038.41	783.98	1,064.92	57.56	18,944.88
Payable related to Capital goods	-	3.87	-	-	-	3.87
Other Financial Liability	-	279.01	-	107.57	-	386.58
Current maturities of Long term debt	-	23.71	24.27	50.25	-	98.23
Total	-	**7,345.00**	**808.25**	**1,222.74**	**57.56**	**19,433.56**

c) **Market risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risks;

i) Interest rate risk

ii) Currency risk and;

iii) Equity price risk

iv) Commodity Price Risk

Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company has not used any interest rate derivatives.

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

Based on the composition of debt as at March 31, 2020 and March 31, 2019 a 100 basis points increase in interest rates would increase the Company's finance costs and thereby consequently reduce net profit before tax by approximately ₹ 206.97 Lakhs for the year ended March 31, 2020 (2018-19: ₹ 212.61 Lakhs).

ii) Foreign Currency risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues, foreign currency expenses and foreign currency borrowings. Primarily, the exposure in foreign currencies are denominated in USD. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and USD have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses foreign exchange forward contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

Details of Hedged exposure in foreign currency denominated monetary items.

The Company enters into forward exchange contracts to hedge against its foreign currency exposure relating to the underlying transactions and based on past performance. The Company does not enter into any derivative instruments for trading or speculative purpose.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Details of Hedged exposure in foreign currency denominated monetary items:

(₹ in Lakhs)

Currency	As at March 31, 2020		As at March 31, 2019	
	FC In Lakhs	₹ In Lakhs	FC In Lakhs	₹ In Lakhs
Receivable				
USD	451.10	34,022.30	512.78	35,474.05
Secured Loans				
USD	268.14	20,222.86	286.86	19,844.82
Payable				
USD	165.09	12,451.02	208.16	14,400.27
EURO	2.60	215.88	1.71	132.85
GBP	0.06	5.34	0.02	2.04
AED	0.02	0.32	0.02	0.29
CHF	-	0.01	-	-
Balance with Banks				
USD	28.80	2,172.03	0.77	53.13

The company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 1% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the company as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in Lakhs)

Particulars	Currency	As at March 31, 2020	As at March 31, 2019
1% Depreciation in INR	USD	34.67	12.60
1% Appreciation in INR	USD	(34.67)	(12.60)

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

Cash Flow Hedged Accounting:

The Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the statement of profit and loss.

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contracts:

(₹ in Lakhs)

Currency	As at March 31, 2020		As at March 31, 2019	
	FC In Lakhs	₹ In Lakhs	FC In Lakhs	₹ In Lakhs
Forward contract to sell USD	661.50	49,890.33	740.88	51,254.08

iii. Equity Price risk

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

Sensitivity

The sensitivity to profit or loss in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in an impact on profits by ₹ 82.83 Lakhs (March 31, 2019 ₹ 90.05 Lakhs).

Value Research

iv. Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of Gold. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices. The Company's commodity risk is managed centrally through well-established trading operations and control processes. In accordance with the risk management policy, the Company enters into various transactions using purchase of gold contracts. These contracts are for hedging purpose only. on March 31, 2020 company has 39 Kgs of gold hedged on a single outstanding contract of ₹ 1,675 Lakhs of Notional value and ₹ 16.57 Lakhs of fair value change. The gain/(loss) on fair value change is clubbed with cost of material consumed and netted with margin money given for contracts. The maturity of the contract is June 05, 2020.

Sensitivity

The company has taken forward contracts against expected purchase of gold and fixed the purchase price of gold, accordingly the Company don't expect any material impact on fluctuation of gold prices, so sensitivity analysis has not been presented in respect of fluctuation in gold prices.

41 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to safeguard the company's ability to remain as a going concern and to maintain and optimal capital structure so as to maximize shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plan. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or buy back of shares. The current capital structure of the company is equity based with low financing through borrowings. The company is not subject to any externally imposed capital requirement.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

42 SCHEME OF MERGER BY ABSORPTION OF THE SUBSDIARIES COMPANY'S (EFFECT GIVEN IN PREVIOUS YEAR)

In terms of the Scheme of Merger ("Scheme") pursuant to Section 230 read with Section 232 of the Companies Act,2013 sanctioned by Order dated April 22, 2019 by National Company Law Tribunal (NCLT) Mumbai Bench, the 100% subsidiary company House full International Ltd . and N. Kumar diamond Ltd. ("Transferor Companies") of Renissance Global Ltd. ("the Company") ("Transferee Company") is merged into the Company from the Appointed date.i.e April 01, 2017.

The merger scheme is effective from May 8 , 2019 being the date on which the certified copies of the Orders of NCLT, Mumbai Bench sanctioning the Scheme are filed with the Registrar of Companies, Mumbai.

In accordance with the aforesaid Scheme and as per NCLT approval:

After the Scheme of merger the authorized share capital of the Company is increased from ₹ 27 Crore to ₹ 98.70 Crore consists of 8.87 Crore Equity shares of ₹ 10 each i.e. 88.70 crore of Equity shars and 1 crore Preference shares of ₹ 10 each i.e. ₹ 10 crore of Preference shares.

All the Assets amounting to ₹ 35 Crore and liabilities (including reserves) amounting to ₹ 4 Crore of the transferor companies as appearing in the books of transferor Companies are recorded in the books of the Company at their respective book values as on April 01, 2017.

The Company's investment amounting to ₹ 68 crore in the transferor Companies has been cancelled.

The difference between the investment made by the Company in transferor Companies and the amount of issued, subscribed and paid-up share capital (equity as well as preference) standing credited in the books of account of the Transferor Companies have been adjusted in the Reserve and Surplus account of the Transferee Companies.

The transferor Companies income of ₹ 2 Crore and expenses of ₹ 10 crore for Financial Year 2018-19 has been booked in the Company. (Net impact is ₹ 8 Crore loss for the F. Y. 2018-19). Similarly income of ₹ 11 Crore and expenses of ₹ 13 Crore for the Financial Year 2017-2018 (Net impact is ₹ 2 Crore loss).

43 SEGMENT INFORMATION

In accordance with Ind AS 108 "Operating Segments", the Company has presented segment information on the basis of consolidated financial statements which form part of this report.

44 RELATED PARTY DISCLOSURES AS REQUIRED UNDER IND-AS 24, "RELATED PARTY DISCLOSURES', ARE GIVEN BELOW:

a. Name of entities where control exists

Subsidiary companies / Trust

1 Renaissance Jewelry N.Y Inc

2 Verigold Jewellery (UK) Limited

3 Renaissance Jewellery Bangladesh Private Limited

4 Verigold Jewellery DMCC

5 RJL - Employee Welfare Trust

6 The Seabean Dialysis Partners India Trust - 100% Ceased w.e.f March 15, 2019 beneficial interest by Housefull International Limited

Indirect subsidiary companies

1 Jay Gems, Inc - w.e.f Auguest 02, 2018 Subsidiary Renaissance Jewelry N.Y Inc

2 Essar Capital LLC - w.e.f Auguest 02, 2018 Subsidiary Jay Gems, Inc

3 Renaissance Jewellery DMCC - Subsidiary of Verigold Jewellery DMCC

4 Verigold Jewellery LLc - w.e.f May 24, 2018 Subsidiary of Verigold Jewellery DMCC

5 Verigold Jewellery (Shanghai) Trading Company Limited w.e.f April 18, 2019 Subsidiary of Verigold Jewellery DMCC

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

b. Associate concerns / companies / trust under control of key management personnel and relatives with whom transactions have taken place during the year

1 Anived Portfolio Managers Private Limited

2 Renaissance Jewellery Limited - Employee Group Gratuity Trust

3 Renaissance Foundation

4 Difference Jewelry LLc

5 Jewelmark India Pvt Ltd

6 Verigold Jewellery India Private Limited

c. Key Management Personnel and relative

1 Mr. Niranjan A. Shah

2 Mr. Sumit N. Shah

3 Mr. Hitesh M. Shah

4 Mr. Neville R. Tata

5 Mr. Bhupen C. Shah

6 Mr. Amit C. Shah

7 Mrs. Leshna S. Shah

8 Mr. Dilip B. Joshi (Chief Financial Officer)

9 Mr. Ghanashyam M. Walavalkar (Company Secretary)

Value Research

d. Related Party transactions

The follwing table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Subsidiary companies / LLP (₹ in Lakhs)

	Name of Related Party	Nature of Transaction	March 31, 2020	March 31, 2019
1	Renaissance Jewelry N.Y Inc.,	Sales of goods	21,158.09	40,085.98
		Purchase of goods	7,154.01	5,446.01
		Packing materials	0.37	1.68
		Consumable purchase	2.19	5.26
		Tools purchase	0.31	0.11
		Trade receivable	5,292.06	2,374.65
		Trade Payable	2,096.26	581.55
		Investment	5,082.74	5,082.74
2	Verigold Jewellery (UK) Limited	Sales of goods	2,651.63	3,077.98
		Purchase of goods	226.75	230.42
		Consumable purchase	1.76	-
		Spares purchase	0.74	0.96
		Commission paid	311.08	383.07
		Expenses	4.40	-
		Packing materials	0.11	0.26
		Trade receivable	396.73	412.21
		Trade Payable	62.20	43.63
		Expenses Payable	-	84.67
		Investment	309.72	309.72

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

Subsidiary companies / LLP (₹ in Lakhs)

	Name of Related Party	Nature of Transaction	March 31, 2020	March 31, 2019
3	Renaissance Jewellery Bangladesh Private Limited	Investment	1,371.87	1,371.87
		Provision for Diminution	1,003.97	596.83
4	Verigold Jewellery DMCC	Sales of goods	44,991.76	20,558.55
		Exp. Reimbursement	117.28	148.00
		Purchase of goods	540.92	119.91
		Finished goods	13.73	-
		Trade receivable	12,505.20	14,568.18
		Trade Payable	-	2.66
		Investment	51.04	51.04
5	Renaissance Jewellery DMCC	Sales of goods	0.16	-
		Purchase of goods	-	8.04
		Trade receivable	0.18	-
		Trade Payable	-	0.07
6	Jay Gems Inc	Sales of goods	14,981.11	23,584.54
		Purchase of goods	3,868.10	1,069.62
		Finished goods	20.09	-
		Consumable purchase	0.08	-
		Packing materials	0.37	-
		Other charges	0.14	-
		Trade receivable	3,802.98	9,996.50
		Trade Payable	2,575.91	1,046.83
Associate Concern/Trusts :				
1	Renaissance Foundation	CSR Contribution	77.60	98.50
2	Anived Portfolio Manager Pvt Ltd	ICD Repaid	-	(37.89)
		ICD Received	70.00	120.60
		Interest expenses	29.89	25.60
		ICD Payable	370.00	300.00
		Interest payable	7.45	-
		Exp. Reimbursement	13.50	13.86
		Expenses paid	53.35	18.38
		Receivable	3.14	3.25
3	RJL - Employee Group Gratuity Trust	Contribution Paid	69.00	80.00
		Contribution Payable	320.99	221.80
4	RJL - Employee Welfare Trust	Loan Receivable	78.56	78.56
5	Difference Jewelry LLc	Sales of goods	5,892.85	9,311.44
		Purchase of goods	1,090.02	706.91
		Packing materials	-	0.97
		Trade receivable	844.18	2,424.36
		Trade Payable	107.22	280.07
6	The Seabean Dialysis Partners India Trust	Paid	34.88	-
		Receivable	-	34.88

Value Research

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

Subsidiary companies / LLP (₹ in Lakhs)

	Name of Related Party	Nature of Transaction	March 31, 2020	March 31, 2019
7	Jewelmark India Pvt Ltd	Sales of Goods	-	97.05
		Purchase of Goods	-	1,371.49
		Computer Purchase	-	3.24
		Tools Purchase	0.05	-
		Plant & Machiney Purchase	2.38	-
		Trade Receivable	-	-
		Trade Payable	2.44	177.79
8	Verigold Jewellery India Private Limited	Sales of goods	1,858.43	-
		Trade Receivable	1,589.29	-
		Advance Payment purchase of Fixed Assets	50.00	-
		Exp. Reimbursement	12.50	-
		Exp. Reimbursement Receivable	0.03	-
Key Management Personnel :				
1	Mr. Niranjan A. Shah	Loan Received	245.00	192.74
		Loan Re-payment	(236.00)	(1,096.94)
		Remuneration *	36.22	36.22
2	Mr. Sumit N. Shah	Loan Re-payment	-	(12.76)
3	Mr. Hitesh M. Shah	Loan Received	455.00	1,134.00
		Loan Re-payment	(455.00)	(1,199.36)
		Remuneration *	90.22	54.22
4	Mr. Neville R. Tata	Remuneration *	96.22	96.22
5	Mr. Amit C. Shah	Loan Re-payment	-	(17.54)
6	Mr. Bhupen C. Shah	Loan Re-payment	-	(147.64)
7	Ms. Leshna S. Shah	Sales of goods	-	0.35
8	Mr. Dilip B. Joshi (Chief Financial Officer)*	Remuneration	32.93	30.23
9	Mr. Ghanashyam M. Walavalkar (Company Secretary) *	Remuneration	27.86	22.91

** Excludes provision for gratuity liabilities for KMP and relative of KPM, as these liabilities are provided on overall company basis and as not identified separately in actuarial valuation.*

45 LEASES

Operating Lease: company as lessee

The Company has entered into arrangements for taking on leave and license basis certain residential / office premises and warehouses. These leases have average life of bewteen 2 to 5 years with renewal option included in the contract. The specified disclosure in respect of these agreements is given below :

The Company has adopted Ind AS 116, "Leases", effective 1 April 2019, using modified retrospective approach as a result of which comparative information are not required to be restated. The Company has discounted lease payments using the borrowing rate as at 1 April 2019 for measuring lease liabilities at ₹ 200.51 lakhs and accordingly recognized right-of-use assets at ₹ 102.72 lakhs (after adjusting prepaid lease rent) by adjusting retained earnings by ₹ 63.62 lakhs (net of tax), as at the aforesaid date. In the Statement of Profit and Loss for the current year, the nature of expenses in respect of operating leases are recognized as amortization of right-of-use of assets and finance costs, as compared to lease rent in previous periods, and to this extent results for the current period are not comparable. On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 9% p.a.

Value Research

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

46 EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Basic and Diluted EPS (before Exceptional Items)		
Profit after tax but before exceptional item	3,587.36	2,722.06
Weighted average number of equity shares in calculating Basic and Diluted EPS	18,683,064	18,683,064
Basic and diluted Earnings per share	19.20	14.57
Basic and Diluted EPS (after Exceptional Items)		
Profit after tax	3,180.23	2,653.56
Weighted average number of equity shares in calculating Basic and Diluted EPS	18,683,064	18,683,064
Basic and diluted Earnings per share	17.01	14.20

47 CAPITAL AND OTHER COMMITMENTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	13.81	3.53

Value Research

48 CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Claims against the Company not acknowledged as debts:		
Sales Tax and VAT	134.19	251.24
Custom, Excise and Service Tax	16,775.15	16,961.28
Income Tax	176.19	176.19
Other litigations	584.96	584.96
Bank Guarantees	14.99	14.99

Provident Fund

The Honourable Supreme Court, has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

(The contingent liabilities, if materialised, shall entirely be borne by the company, as there is no likely reimbursement from any other party.)

Notes to Standalone Financial Statements *(Contd...)*

For the year ended March 31, 2020

49 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT 2006 *

(₹ in Lakhs)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	0.24	1.60
	Interest due on above	-	-
b	The amount of interest paid by the buyer in terms of section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	-	-
d	The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section	-	-

** The company has initiated the process of identification of suppliers registered under Micro and Small Enterprise Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at balance sheet date.*

50 CSR EXPENDITURE

Gross amount required to be spent during the year ₹ 79 Lakhs (March 31, 2019 : ₹ 75 Lakhs) as detailed hereunder.

(₹ in Lakhs)

Nature of Activity	Year ended March 31, 2020	Year ended March 31, 2019
Medical, health care and social welfare	18.32	29.00
Education	22.84	21.33
Humanitarian	21.00	13.00
Enviormental/Animal Welfare/Cultural/Religious	18.16	37.72
Total	**80.32**	**101.05**

51 PROVISION FOR DIMINUITION IN THE VALUE OF INVESTMENT

The Company has invested ₹ 1,371.87 Lakhs in Renaissance Jewellery Bangladesh Private Limited (RJBPL) – wholly owned subsidiary company. The net worth of RJBPL as on March 31, 2020 is ₹ 367.90 Lakhs. The Company, in principle, had decided to exit out of its operation in Bangladesh and is pursuing appropriate steps in this direction either through divestment of its stake in RJBPL or sale of the entire operation as slump sale. The company has taken the write down of ₹ 1,003.97 Lakhs to the extent of the Net worth of RJBPL, being the expected realizable value.

52 EMPLOYEE STOCK PURCHASE SCHEME ("ESPS 2008")

Company's Shareholders has approved the Employee Stock Option Plan 2018 Scheme (ESOP-2018) in Annual General Meeting by passing special resolution, company is in the process of implementing the scheme and the Company has not made any grant to the employees during the financial year.

53 RJL-EMPLOYEE WELFARE TRUST FOR INVESTMENT IN SHARES

The Company through employee welfare trust ("Trust"), offered Employee Stock Purchase Scheme (ESPS) and 720,000 numbers of equity shares were issued to the Trust in F.Y. 2008-2009 at fair value then for onward offering to the recommended employees. During the F.Y. from 2011-12 to 2015-16 the trust issued 73,624 equity shares to its employees under ESPS and in the F.Y. 2017-18, the trust further issued 4,50,000 shares to its employees. Presently the Trust holds 1,96,376 equity shares as on March 31, 2020. To the extent of the face value of the shares held by Trust, the same has been reduced from the Paid up Share capital of the Company and the balance has been reduced from Other Equity under a separate reserve. Accordingly, the income received from the Trust has been recognized directly under Other Equity of the company.

Value Research