Rent including lease rentals	32.77	29.93
Repairs and maintenance	1.21	4.85
Insurance	2.35	1.02
Communication	1.71	2.81
Printing and stationery	1.26	4.90
Freight and forwarding	19.34	83.62
Sales discount	36.30	25.23
Business promotion		3.55
Brand Building expenses		-
Legal and professional	5.20	10.58
Payments to auditors	1.62	3.00
Miscellaneous expenses	33.49	11.37
Provision for Doubtful debt and advances	514.14	67.25
Loss on Sale of Asset	-	-
Balances written off/(written back)	0.05	(12.97)
Total	**651.86**	**238.45**

Standalone Notes forming part of the financial statements

Note	Particulars
1	**Corporate information** Opal Luxury Time Products Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the National Stock Exchange of India. The company is engaged in the business of manufacturing, assembling and marketing of clocks, watches, their accessories and allied products. The company has its factory in Roorkee, Uttaranchal where it has Income Tax and Excise benefits for 10 years under state industrial policy.
2	**Significant accounting policies**
2.1	**Basis of accounting and preparation of financial statements** The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except, for the change in accounting policy relating to depreciation of fixed assets to comply with provisions of the Companies Act, 2013.
2.2	**Use of estimates** The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.
2.3	**Inventories** Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-Progress and Finished Goods include appropriate proportion of overheads and where applicable, excise duty.

2.4 **Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises of cash at bank and in hand and demand deposits with banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 **Depreciation and amortisation**

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the Financial Year 2015, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the certain changes related to depreciation of fixed assets.

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.
Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Hence, this change in accounting policy did not have any material impact on financial statements of the company.
Intangible assets are amortised over their estimated useful life. Trademark, Goodwill & Trade names – 10 years (5.5 years remaining as at the Balance Sheet date).

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Revenue recognition

<u>Sale of goods</u>

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude any sales tax

<u>Income from services</u>

2.7 Revenues from services are in the nature of repairs and are recognised when services are rendered and related costs are incurred.

2.8 **Other income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Tangible fixed assets

2.9 Fixed Assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.11 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as “Foreign currency monetary item translation difference account” net of the tax effect thereon.

Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

2.12 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.
Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.
Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

2.13 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in

	accordance with the policy stated for Impairment of Assets.
2.14	**Employee benefits** Employee benefits include provident fund, superannuation fund and gratuity fund **Defined contribution plans** The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. **Defined benefit plans** For defined benefit plans in the form of gratuity fund and post-employment become vested. The retirement benefit obligation recognised in the Balance Sheet medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes. **Short-term employee benefits** The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur. **Long-term employee benefits** Gratuity Benefits are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.
2.15	**Borrowing costs** Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset is added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.
2.16	**Segment reporting** 'The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The company's activities are carried out in India and all services provided by the company fall in a single business segment. As such, there is no reportable segment.

2.17 Leases

Where the Company as a lessor leases assets under finance lease, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.19 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

Impairment of assets

2.20 The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.21 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. At each balance sheet date Company Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. The company has balances recoverable from various parties in excess of 1 year from the date they became due. The company has not provided any amount as not receivable for them as the same have been confirmed by the customer and are receivable in the normal course of business.

2.22 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.23 Previous Year figures regrouping / reclassification

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Note	Particulars	For the year ended 31 March, 2019 (Rs. In Lacs)	For the year ended 31 March, 2018 (Rs. In Lacs)
2.25	**Details of government grants**		
	Government grants received by the Company during the year towards	-	-
	Duty drawback (recognised under Other operating revenues)	-	-

Note	Particulars	As at 31 March, 2019 (Rs. In Lacs)
2.26	**Deferred tax (liability) / asset**	
	Tax effect of items constituting deferred tax liability	
	On difference between book balance and tax balance of fixed assets	
	On provision for gratuity	
	Total	
	Tax effect of items constituting deferred tax assets	
	Timing Difference on Expenditure	
	Net deferred tax (liability) / asset	

Note 2.27 Employee benefit plans
Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 11,08,535/- (Year ended 31 March, 2018 Rs. 10,03,422/-) for Provident Fund contributions and superannuation fund in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans
i. Gratuity
The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	For the year ended 31 March, 2019 (Rs. In Lacs)	For the year ended 31 March, 2018 (Rs. In Lacs)
Components of employer expense		
Current service cost	3.26	4.36
Interest cost	2.17	1.73
Expected return on plan assets	-	-
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	0.96
Actuarial losses/(gains)	(2.22)	(2.32)
Total expense recognised in the Statement of Profit and Loss	**3.21**	**4.72**
Actual contribution and benefit payments for year		

Actual benefit payments	-	-
Actual contributions	-	-
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	29.67	24.95
Current service cost	3.26	4.36
Interest cost	2.17	1.73
Curtailment cost / (credit)		-
Settlement cost / (credit)		-
Plan amendments		-
Acquisitions		-
Actuarial (gains) / losses	(2.22)	(2.32)
Past service cost		0.96
Benefits paid		-
Benefits payable	(4.72)	
Present value of DBO at the end of the year	**28.16**	**29.67**
Change in fair value of assets during the year		
Plan assets at beginning of the year		-
Acquisition adjustment		-
Expected return on plan assets		-
Actual company contributions		-
Actuarial gain / (loss)		-
Benefits paid		-
Plan assets at the end of the year		-
Actual return on plan assets		-
Composition of the plan assets is as follows:		
Government bonds		-
PSU bonds		-
Equity mutual funds		-
Others		-
Actuarial assumptions		
Discount rate	7.45%	7.55%
Expected return on plan assets	NA	NA
Salary escalation	7.00%	7.00%
Mortality tables	Indian Assured Lives Mortality (2006-08) - ultimate	Indian Assured Lives Mortality (2006-08) - ultimate

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note 2.28 Related party transactions:	
Details of related parties:	
Description of relationship	**Names of related parties**

Subsidiaries Key Management Personnel (KMP) Relatives of KMP	Opal Luxury Products INC. Mr. Sameer Gujar, Ms. Pratibha Gujar Mr. Subhash Gujar

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019:

Particulars	Subsidiaries	KMP	Relatives of KMP	Total
Sale of goods	-	-	-	-
	-	-	-	-
Managerial Remuneration	-	18.00	-	18.00
	-	(18.00)	-	(18.00)
Balances outstanding at the end of the year				
Trade Receivables	36.28	-	-	36.28
	-	-	-	-
Loans and advances	-	18.71	-	18.71
	-	-	-	-

Note: Figures in bracket relate to the previous year

Note 2.29 Payments to Auditors:	March-19	March-18	March-17
Audit fees	1.62	1.80	1.80
Payment for IPO certification/advisory	-	-	-
Tax audit fees	-	0.30	0.30
Audit Under MVAT Act	-	0.40	0.40
Reimbursement of expenses	-	0.25	0.23

Note 2.30 Amount payable to Micro, Small or Medium Undertakings

On the basis of information available with the company, there are no amounts payable to Micro, Small or Medium Undertakings.

Note 2.31 Lease Rent Agreement	March-19	March-18
Rent Debited to Profit & Loss A/c	32.77	29.93
- Obligation		
a) Payable within 1 years (2019-20) Rs. 28,15,180		
b) Payable within 3 years (2020-23) Rs. 24,50,500		
Note 2.32 Foreign Currency Transactions	**March-19**	**March-18**
Net gain / (loss) on foreign currency transactions on revenue accounts recognised in the Profit and Loss Account	8.04	0.55

Note 2.33 Contingent Liabilities and commitments (to the extent not provided for)	March-19	March-18

Bank Guarantees	8.04	0.55
Liability for cases under litigation	4.92	4.92

In terms of our report attached.

For M/s Bharat J. Rughani & Co.
Chartered Accountants

CA Akash Rughani
Partner

Membership No: 139664
Place : Pune
Date : 29/05/2019

For and on behalf of the Board of Directors

Sameer Gujar
Managing Director

Pratibha Gujar
Director

Place : Pune
Date : 29/05/2019