

**PATDIAM JEWELLERY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

**1 SHARE CAPITAL**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Authorised Capital:</b>		
5000000 Equity Shares of ` 10/- each	5,00,00,000	5,00,00,000
(Previous year 5000000 Equity Shares of ` 10/- each)	5,00,00,000	5,00,00,000
<b>Issued, Subscribed &amp; Paid Up :</b>		
4317000 Equity Shares of ` 10/- each	4,31,70,000	4,31,70,000
(Previous year 4317000 Equity Shares of ` 10/- each)		
<b>Total `</b>	<b>4,31,70,000</b>	<b>4,31,70,000</b>

1.01 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:  
Details to be given for each class of shares separately for Issued, Subscribed and fully paid up and Subscribed but not fully paid up as applicable.

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Equity shares with voting rights :</b>		
At the beginning of the year		
- Number of shares	4317000	4317000
- Amount ( ` )	4,31,70,000	4,31,70,000
<b>Add : Addition during the year :</b>		
- Number of shares	-	-
- Amount ( ` )	-	-
<b>Less : Deduction During the year :</b>		
- Number of shares	-	-
- Amount ( ` )	-	-
<b>Year ended 31 March,</b>		
- Number of shares	4317000	4317000
- Amount ( ` )	4,31,70,000	4,31,70,000
Equity shares with differential voting rights		
Year ended 31 March,	-	-

1.02 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Samir T.Kakadia	940500	21.79%	940500	21.79%
Pravin T.Kakadia	1066950	24.72%	1066950	24.72%
Maheshbhai L.Navadia	354000	8.20%	354000	8.20%
Ganesh K.Navadia	352500	8.17%	352500	8.17%
Chhaganbhai K.Navadia	313500	7.26%	321000	7.44%
Equity shares with differential voting rights	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

1.03 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31.03.2020	As at 31.03.2019
<u>Equity shares with voting rights</u>		
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil
Shares bought back	-	-
<u>Equity shares with differential voting rights</u>		
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil
Fully paid up by way of bonus shares	-	-
Shares bought back	-	-

**2 RESERVES AND SURPLUS**

Particulars	As at 31.03.2020	As at 31.03.2019
(a) General Reserve :		
As per last Balance Sheet	18,20,00,000	18,20,00,000
Add : Addition during the year	-	-
	<u>18,20,00,000</u>	<u>18,20,00,000</u>
(b) Security Premium Account :		
As per last Balance Sheet	3,68,76,000	3,68,76,000
Add : Addition during the year	-	-
	<u>3,68,76,000</u>	<u>3,68,76,000</u>
(c) Profit & Loss Account		
Surplus-Opening Balance	8,36,20,006	7,20,40,538
Add : Net Profit after tax transferred from Statement of Profit and Loss	1,74,51,235	1,15,79,468
<b>Total</b>	<b><u>31,99,47,240</u></b>	<b><u>30,24,96,006</u></b>

**3 DEFERRED TAX LIABILITY (NET)**

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liabilities :		
- i) Relating to Depreciation, Amortisation and Impairment	-	17,81,850
	<u>-</u>	<u>17,81,850</u>
Less : Deferred Tax Assets :		
- ii) relating to Employee Benefits & Provision thereof	-	15,12,958
	<u>-</u>	<u>2,68,892</u>
<b>Total</b>	<b><u>-</u></b>	<b><u>2,68,892</u></b>

**PATDIAM JEWELLERY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

**4 SHORT TERM BORROWINGS**

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Loans repayable on demand :		
- Secured		
From Bank (Foreing Currency)		
Packing Credit In Foreign Currency With Punjab National Bank *	4,56,55,203	4,31,41,072
Post Shipment Credit In Foreign Currency With Punjab National Bank*	-	3,26,89,569
Packing Credit In Foreign Currency With State Bank of India**	-	69,84,655
From Bank (in Rupees)		
Packing Credit In rupee With State Bank of India**	4,96,79,401	2,84,69,224
	<b>9,53,34,605</b>	<b>11,12,84,519</b>
<b>Total `</b>	<b>9,53,34,605</b>	<b>11,12,84,519</b>

4.01 \*Secured by hypothecation of Stock , Debtors and equitable mortgage of Plant & Machinery and Factory Building other movable assets at Unit No. 102, Tower No.1, SEEPZ++, SEEPZ SEZ, Andheri (E), Mumbai-400 096 and mortgage of property situated at Juhu, Mumbai in name of , Mr.Mahesh Navadia (Director) the said limit is also secured by personal guarantee of Director & relatives of directors.

4.02 Above loans were drawn from time to time under a sanction letter which is renewable after one year against documents in the nature of Bills for raw material labour charges and export sales.

4.03 Intrest is payable as per Reserve Bank of India /State Bank of India Guidelines and linked to base Rate.

4.04 Tenure of Each Individual PC loan is 180 Days(PNB & SBP) and that of Loan Against bill is up to due date of Respective Bill.

**5 TRADE PAYABLES**

Particulars	As at 31.03.2020	As at 31.03.2019
Trade Payables		
i) Total outstanding dues of micro enterprises and small enterprises	4,09,331	78,815
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,92,38,081	1,10,98,881
	<b>1,96,47,412</b>	<b>1,11,77,696</b>
<b>Total `</b>	<b>1,96,47,412</b>	<b>1,11,77,696</b>

**PATDIAM JEWELLERY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

5.01 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES :	As at 31.03.2020	As at 31.03.2019
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	4,09,331	78,815
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) 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, Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	15,590	7,817
(v) The amount of further interest remaining due and payable even in the succeeding year, 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 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

**6 OTHER CURRENT LIABILITIES**

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Other payables :		
i) Statutory dues payable	7,47,139	7,69,825
ii) Advance received from customers	13,32,324	8,34,412
iii) Provisions for Expenses	54,35,792	66,00,872
<b>Total</b>	<b>75,15,255</b>	<b>82,05,109</b>

**7 SHORT - TERM PROVISIONS**

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Provision for employee benefits:		
i) Provision for gratuity	71,31,407	54,38,381
ii) Provision for other employee benefits	6,53,974	9,47,918
	<b>77,85,381</b>	<b>63,86,299</b>
(b) Provision - Others:		
i) Provision for tax (net)	43,95,663	24,76,640
<b>Total</b>	<b>1,21,81,044</b>	<b>88,62,939</b>

**PATDIAM JEWELLERY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

**8 PROPERTY, PLANT AND EQUIPMENT :**

Particulars	TANGIBLE ASSETS					Total
	Factory Building	Furniture and Fixtures	Plant and Equipments	Office Equipment	Vehicles	
<b>GROSS CARRYING VALUE AT COST AS ON 1st APRIL, 2018</b>	2,19,74,573	1,35,60,427	2,72,43,832	11,96,452	22,11,257	<b>6,61,86,540</b>
<b>Addition</b>	-	-	6,49,100	2,92,525	-	<b>9,41,625</b>
<b>Deduction</b>	-	-	-	-	-	-
<b>As At 31st March, 2019</b>	2,19,74,573	1,35,60,427	2,78,92,932	14,88,977	22,11,257	<b>6,71,28,165</b>
<b>Addition</b>	-	-	18,12,873	1,84,733	-	<b>19,97,606</b>
<b>Deduction</b>	-	-	-	-	-	-
<b>As At 31st March, 2020</b>	2,19,74,573	1,35,60,427	2,97,05,805	16,73,710	22,11,257	<b>6,91,25,771</b>
<b>DEPRECIATION / AMORTISATION</b>						
<b>Opening as on 1st April, 2018</b>	98,01,012	1,25,97,498	1,79,31,397	7,36,581	16,44,952	4,27,11,441
<b>Charge for the year</b>	5,99,897	1,40,331	19,09,867	2,77,536	1,19,659	30,47,290
<b>Deduction</b>	-	-	-	-	-	-
<b>As At 31st March, 2019</b>	1,04,00,909	1,27,37,829	1,98,41,264	10,14,117	17,64,611	<b>4,57,58,731</b>
<b>Charge for the year</b>	5,70,273	73,029	15,57,651	2,30,811	93,239	<b>25,25,003</b>
<b>Deduction</b>	-	-	-	-	-	-
<b>As At 31st March, 2020</b>	1,09,71,182	1,28,10,858	2,13,98,915	12,44,928	18,57,851	<b>4,82,83,734</b>
<b>Net Carrying Value as at 31st March, 2019</b>	<b>1,15,73,664</b>	<b>8,22,598</b>	<b>80,51,668</b>	<b>4,74,860</b>	<b>4,46,646</b>	<b>2,13,69,435</b>
<b>Net Carrying Value as at 31st March, 2020</b>	<b>1,10,03,391</b>	<b>7,49,569</b>	<b>83,06,890</b>	<b>4,28,782</b>	<b>3,53,406</b>	<b>2,08,42,038</b>

**PATDIAM JEWELLERY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

**9 NON - CURRENT INVESTMENT**

Particulars	No. of Shares	Face Value	As at 31.03.2020	No. of Shares	As at 31.03.2019
<b>TRADE:</b>					
In Equity Shares - Unquoted, fully paid up					
Others					
i) Saraswat Co-op Bank	2500	100	25,000	2500	25,000
ii) Americas Value Channel (Face value of US\$ 0.10 each)	19000	US \$ 10	87,92,568	19000	87,92,568
iii) Gem Media Group LLC (Face value of US\$ 0.10 each)	1000	US \$ 10	4,63,098	1000	4,63,098
<b>Total</b>			<b>92,80,666</b>		<b>92,80,666</b>
Aggregate amount of quoted investments			-		-
Aggregate market value of listed and quoted investments			-		-
Aggregate amount of unquoted investments			92,80,666		92,80,666

**10 DEFERRED TAX ASSETS(NET)**

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Assets :		
- i) relating to Employee Benefits & Provision thereof	19,83,957	-
Less : Deferred Tax Liabilities :		
- i) Relating to Depreciation, Amortisation and Impairment	16,91,272	-
<b>Total</b>	<b>2,92,685</b>	<b>-</b>

**11 LONG - TERM LOANS & ADVANCES**

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Security Deposits		
Unsecured, considered good	1,44,157	1,44,157
(b) Loans & Advances		
Unsecured, considered good		
Balance with or Refund Due From Statutory Authorities	19,57,009	36,36,243
<b>Total</b>	<b>21,01,166</b>	<b>37,80,400</b>

**12 INVENTORIES**

Particulars	As at 31.03.2020	As at 31.03.2019
i) Raw Materials	18,60,31,326	16,25,50,385
ii) Work-In-Progress	1,01,59,493	60,00,441
iii) Finished Goods	3,07,29,861	1,40,76,465
iv) Stock of Consumable Stores & Spare parts	12,66,105	14,02,904
<b>Total</b>	<b>22,81,86,785</b>	<b>18,40,30,196</b>

12.01 Inventories except Consumables Stores and Spares are valued at cost or net realisable value whichever is less.

12.02 Consumables Stores and Spares are valued at cost.

**PATDIAM JEWELLERY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

**13 TRADE RECEIVABLES**

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured		
Outstanding for a period exceeding six months from due date		
- Considered good	4,83,42,376	3,59,78,633
- Considered doubtful	-	-
	4,83,42,376	3,59,78,633
Other Debts		
- Considered good	16,95,77,100	18,24,32,256
- Considered doubtful	-	-
	16,95,77,100	18,24,32,256
<b>Total</b>	<b>21,79,19,476</b>	<b>21,84,10,889</b>

**14 CASH & BANK BALANCE**

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Cash on hand	3,50,686	3,39,726
(b) Balances with banks		
i) In Current Accounts	20,745	3,97,56,575
ii) In Margin Account	7,75,000	7,75,000
iii) Fixed Deposit	46,50,000	-
	54,45,745	4,05,31,575
<b>Total</b>	<b>57,96,431</b>	<b>4,08,71,301</b>

**15 SHORT TERM LOANS & ADVANCES**

Particulars	As at 31.03.2020	As at 31.03.2019
(Advances recoverable in cash or in kind or for value to be received)		
(a) Loans to Advances		
Unsecured, considered good	22,23,421	29,04,421
	22,23,421	29,04,421
(b) Prepaid expenses	10,23,789	11,13,546
	10,23,789	11,13,546
(c) Others	1,01,29,099	37,04,308
	1,01,29,099	37,04,308
<b>Total</b>	<b>1,33,76,309</b>	<b>77,22,274</b>

**PATDIAM JEWELLERY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

**16 REVENUE FROM OPERATIONS**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>a) Export goods</b>		
i) Sale of Manufactured goods	62,23,69,037	68,49,35,043
ii) Sale of Traded goods	36,91,209	21,78,407
	<b>62,60,60,246</b>	68,71,13,450
<b>Total `</b>	<b>62,60,60,246</b>	68,71,13,450

16.01 Sales of Product Comprises :

**i) Sale of Manufactured goods :**

a) Exports of Diamond Studded Gold Jewellery	62,23,69,037	68,49,35,043
	<b>62,23,69,037</b>	68,49,35,043

**ii) Sale of Traded goods :**

a) Diamonds	9,57,225	15,88,334
b) Alloy	20,43,108	2,36,706
c) Gold Finding	5,16,857	2,70,207
d) Silver	1,74,019	-
e) Silver Finding	-	83,160
	<b>36,91,209</b>	21,78,407

<b>Total `</b>	<b>62,60,60,246</b>	68,71,13,450
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**17 OTHER INCOME**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
a) Interest on Bank Deposit	48,244	27,808
b) Interest received - Others	2,01,578	5,790
c) Net gain on foreign currency transaction and translation	1,92,51,142	36,98,524
d) Miscellaneous income	18,40,497	-
<b>Total `</b>	<b>2,13,41,461</b>	37,32,122



**PATDIAM JEWELLERY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

**18 RAW MATERIALS CONSUMED**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
a) Opening Stock	16,25,50,385	30,61,54,713
b) Add: Purchases		
i) Gold	20,02,10,002	12,89,20,847
ii) Diamond	32,28,04,380	27,13,26,336
iii) Finding Gold	1,71,35,468	2,75,77,825
iv) Finding Silver	5,90,434	2,49,339
v) Precious Stone	31,45,118	24,32,199
vi) Mountings	-	96,085
vii) Silver	2,66,705	1,68,688
viii) Zircon	9,10,185	4,70,261
	<b>54,50,62,292</b>	<b>43,12,41,580</b>
c) Less : Closing Stock	<b>18,60,31,326</b>	<b>16,25,50,385</b>
<b>Total</b>	<b>52,15,81,352</b>	<b>57,48,45,908</b>

18.01 Raw Materials Consumed Comprise :

i) Gold	16,40,30,433	10,37,19,354
ii) Diamond	33,83,72,854	27,27,14,876
iii) Finding Gold	1,55,35,185	1,02,45,096
iv) Finding Silver	4,68,475	1,27,881
v) Precious Stone	20,89,681	12,77,445
vi) Silver	1,00,814	73,793
vii) Zircon	9,63,356	1,73,905
viii) Platinum	20,552.61	-

18.02 Value of imported raw materials consumed and the value of all indigenous raw materials similarly consumed and the percentage of each to the total consumption.

Particulars	Amount in `		Percentage	
	2019-20	2018-19	2019-20	2018-19
Raw Materials :				
a) Imported	12,60,64,535	8,38,84,386	24.17%	14.59%
b) Indigenous	39,55,16,816	49,09,61,523	75.83%	85.41%

**PATDIAM JEWELLERY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

**19 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
a) Closing Stocks		
i) Work-In-Progress	1,01,59,493	60,00,441
ii) Finished Goods	3,07,29,861	1,40,76,465
	4,08,89,354	2,00,76,907
b) Opening Stocks		
i) Work-In-Progress	60,00,441	29,25,013
ii) Finished Goods	1,40,76,465	43,21,570
	2,00,76,907	72,46,583
<b>Total</b>	<b>(2,08,12,447)</b>	<b>(1,28,30,324)</b>

**20 EMPLOYEE BENEFITS EXPENSES**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
a) Salaries, Wages, Bonus	1,02,43,038	1,01,47,410
b) Contribution to E.S.I.C.	15,762	25,826
c) Contribution to Provident Fund	2,74,715	2,90,268
d) Contribution to others Fund	819	936
e) Provision / Contribution to Group Gratuity	18,53,641	29,54,660
f) Workmen & Staff Welfare expenses	15,40,485	10,34,639
<b>Total</b>	<b>1,39,28,460</b>	<b>1,44,53,739</b>

20.01 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

**(i) Defined Contribution Plan :**

Contribution to Provident Fund is `2,53,113/- (Previous year `2,67,528/-), ESIC and Labour Welfare Fund includes `5,589/- (Previous year `9,820/-).

**(ii) Defined Benefit Plan :**

Gratuity & Leave Encashment:

The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days service for each completed year of service or part thereof depending on the date of joining. The benefit vests after five years of continuous service.

**PATDIAM JEWELLERY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

<b>Assumptions</b>	<b>Gratuity Funded 31.03.2020</b>	Gratuity Funded 31.03.2019
<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation:</b>		
Present Value of obligation as at the beginning of the year	54,38,381	24,83,721
Current service cost	10,76,389	8,78,968
Interest cost	4,16,858	1,86,776
Prior Service Costs	-	-
Actuarial (gain) / loss	3,60,394	18,88,916
Benefits paid	(1,60,615)	-
Present Value of obligation as at the end of the year	<b>71,31,407</b>	<b>54,38,381</b>
<b>Change in Plan Assets</b>		
Plan assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Contributions	1,60,615	-
Benefits paid	(1,60,615)	-
Plan assets at period end 2015, at fair value	-	-
<b>Fair Value of Plan Assets</b>		
Fair Value of plan assets at the beginning of the year	-	-
Actual return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Fair Value of plan assets at the end of the year	-	-
Funded status	-	-
Excess of Actual over estimated return	NIL	NIL
<b>The amounts to be recognized in the Balance Sheet and statements of Profit and Loss</b>		
Present value of obligations as at the end of year	71,31,407	83,93,041
Fair value of plan assets as at the end of the year	-	-
Funded status	(71,31,407)	(83,93,041)
Net asset/(liability) recognized in Balance Sheet	(71,31,407)	(83,93,041)
<b>Expenses for the year</b>		
Current service cost	10,76,389	8,78,968
Interest cost on benefit obligation	4,16,858	1,86,776
Prior Service Costs	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	3,60,394	18,88,916
Total expenses recognised in the P & L A/c	<b>18,53,641</b>	<b>29,54,660</b>
<b>Assumptions</b>		
Discount Rate	<b>6.84%</b>	7.78%
Employee Turnover	<b>7.00%</b>	7.00%
Mortality	Indian Assured Lives Mortality(2012-14) Ultimate	

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

**PATDIAM JEWELLERY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

**21 FINANCE COST**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
a) Interest on Bank Loan	50,17,612	1,16,02,866
b) Bank Loan Processing Charges	20,34,236	27,28,239
c) Interest on Others	15,590	46,751
<b>Total</b>	<b>70,67,438</b>	<b>1,43,77,856</b>

**22 OTHER EXPENSES**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
a) Payment to Contractor	4,87,06,652	4,15,87,111
b) Tools & Consumables	64,45,458	58,96,193
c) Power & Fuel Expenses	29,26,426	23,82,369
d) Insurance expenses	20,44,829	31,47,253
e) Rates & taxes	6,33,105	5,80,907
f) Miscellaneous Expenses	29,52,330	30,79,697
g) Auditors' Remuneration	2,00,000	1,85,000
h) Freight & Forwarding Charges	47,26,090	41,62,698
i) Sale & Marketing Expenses	37,48,187	35,77,137
j) Professional Fees	39,31,860	15,37,575
k) Repairs and Maintenance Expenses	4,17,880	92,798
l) Other Repair & Maintenance	9,42,297	13,69,391
m) Telephone Expenses	3,33,551	3,16,331
n) Travelling Expenses	48,94,600	33,21,722
o) Bank Charges	26,56,459	27,79,798
p) Bad debts	1,03,40,461	45,32,156
<b>Total</b>	<b>9,59,00,185</b>	<b>7,85,48,136</b>

22.01 Value of imported raw materials consumed and the value of all indigenous raw materials similarly consumed and the percentage of each to the total consumption.

Particulars	Amount in `		Percentage	
	2019-20	2018-19	2019-20	2018-19
Consumable Stores & Spares :				
a) Imported	15,60,866	22,65,262	24.22%	38.42%
b) Indigenous	48,84,592	36,30,931	75.78%	61.58%

**PATDIAM JEWELLERY LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES :**

**A) BASIS OF PREPARATION OF ACCOUNTS :**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof.

**B) USE OF ESTIMATES :**

The preparation of financial statements in conformity with generally accepted accounting principals ( GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and reported amounts of revenue and expenses for the year. Although these estimates are based upon management 's best knowledge of current events and actions , actual result could differ from these estimates.

**C ) FIXED ASSETS :**

Tangible Fixed Assets (excluding Land & Building ) are stated at cost ( Net of VAT wherever applicable). They are stated at historical cost less accumulated depreciation and Impairment loss.

Machinery spares which can be used only in connection with a particular item of fixed asset and the use of which is irregular, are capitalised at cost net of VAT credit, wherever applicable.

**D) DEPRECIATION :**

Depreciation on Fixed Assets is provided on "Written Down Value" method and at the rates prescribed in Schedule II of the Companies Act, 2013. Depreciation on addition to fixed assets is provided on prorata basis from the date of acquisition or installation. Depreciation on assets sold, discarded, demolished or scrapped, is provided upto the month in which the said assets is sold, discarded, demolished or scrapped.

**E) IMPAIRMENT OF ASSETS :**

- i) At each Balance sheet date, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard (As)-28 "Impairment of Assets".
- ii) After Impairment, depreciation is provided on the revised carrying amount of the assets.
- iii) A Previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if no impairment loss

**F) INVENTORIES :**

- i) Raw materials are valued at cost or market value, whichever is lower on first in first out basis.
- ii) Stores and Spares are valued at cost on first in first out basis.
- iii) Work in progress comprises of direct material, proportionate conversion cost or net realisable value whichever is less
- iv) Cost of finished goods comprises of direct material, conversion cost and all other cost incurred in bringing material to its present location and are valued at cost or net realisable value whichever is lower. Trading goods are valued at Cost or net realisable value, Whichever is lower.  
Note : Inventories of cut and polished diamonds are valued at cost or market price whichever is lower based on the valuation report obtained from Government approved Valuer.

**G) FOREIGN CURENCY TRANSACTIONS :**

Monetary Assets except those which are covered by forward exchange contracts and monetary liabilities, i.e. items to be received or paid in foreign currency, are stated at the exchange rates prevailing on the date of Balance Sheet. In case of transactions which are covered by forward exchange contracts, the difference between the forward rate and the spot rate is recognised as income or expense over the life of contracts. Realised gains and losses on foreign currency transactions are recognised in the Profit & Loss Account.

Monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and is recognised over the life of the contract.

Transactions in foreign currencies Current Assets (including bank account maintained in foreign currency) and current liabilities (including bank loans taken in foreign currency), i.e. items to be received or paid in foreign currency, are stated at the exchange rates prevailing on the date of the Balance Sheet.

**H) BORROWING COST**

Financial Income and borrowing costs include interest income on bank deposits and interest expense on loans recognised when the right to receive the payment is established.

**PATDIAM JEWELLERY LIMITED**  
**SIGNIFICANT ACCOUNTING POLICIES :**

**I) RECOGNITION OF INCOME AND EXPENDITURE :**

Revenues/Incomes and Cost/Expenditures are generally accounted on accrual basis as they are earned or incurred.

**SALES :**

Revenue is recognised when the significant risks and rewards of ownership to the goods is passed to the buyer.

Domestic sales are accounted on dispatch of products to customers and Export sales are accounted on the basis of dates of Bill of Lading. Domestic Sales are disclosed net of Value Added Tax, discounts and returns as applicable.

**INTEREST:**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**J) EMPLOYEE BENEFITS :**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of given years of service. The company has provided gratuity on the basis of the amount payable for gratuity as on the date of balance sheet.

**K) RESEARCH AND DEVELOPMENT EXPENDITURE :**

Revenue expenses on Research & Development are charged to the Profit & Loss Account in the year in which these are incurred. Capital expenditure is taken as addition to the fixed assets.

**L) PROVISION FOR CURRENT AND DEFERRED TAX :**

Deferred tax asset / Liability is Nil as there is no Timing Difference on account of Income referred to in Profit and Loss account and Computation of Income.

Income Tax expense comprises current tax ( i.e. amount of tax for the year determined in accordance with the Income tax law and deferred tax charge or credit.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge of credit and corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain ( as the case may be) to be realised.

**M) PROVISIONS / CONTINGENCIES :**

A Provision is created when an enterprise has a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount and it is probable that an outflow of resources will be required to settle the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognise assets which are of contingent nature until there is virtual certainty of reliability of such assets. However, if it has become virtual certain that an inflow of economic benefits will arise, assets and related income is recognised in the financial statements of the period in which the change occurs.

**N) EARNING PER SHARE :**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period are adjusted for events of buy back. For the purpose of calculating diluted earnings per share, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all diluted potential equity shares.

**PATDIAM JEWELLERY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**23 CONTINGENT LIABILITIES NOT PROVIDED FOR :**

- a) The Company has executed Corporate Guarantee of ` 120,000,000/- (Previous year ` 120,000,000/-) favouring Punjab National Bank Mumbai for its direct control by key managerail, Patdiam Jewels of firm, Mumbai.
- b) **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 and amount not determinable at the end of year.

**24** Estimated amount of Contracts remaining to be executed on Capital Account and not provided for ` .Nil. ( Previous year ` .Nil.)

**25 IN THE OPINION OF THE DIRECTORS :**

- a) The Current Assets and Loans & Advances are approximately of the value stated, if realised in the ordinary course of business.
- c) The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary

**26 DETAILS OF RELATED PARTIES TRANSACTIONS ARE AS UNDER:**

**a) List of related parties and relationship where control exists or with whom transactions were entered into :**

Sr. No.	Relationship	Name of the Related Party
1	Key Management Personnel	Mr. Samir Kakadia (Managing Director) Mr. Jayesh Avaiya (Director) Mr. Paresh Shah (Director) Mr. Prakash Shah (Director)
2	Enterprise over which Key Managerial Personnel has direct control	Patdiam Patdiam Jewels Zest Corporation
3	Relative of Key Management Personnel	Mr. Keval C. Navadia (Son of Director)

**b) Transaction during the year with related parties:**

Sr. No	Nature of Transaction	Key Management Personnel		Enterprise over which Key Managerial Personnel has direct control		Relative of Key Managerial Person	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
i)	Payments to & provision for Directors' remuneration & Salary	3,00,000	3,00,000	-	-	-	-
ii)	Purchases of goods	-	-	23,41,33,972	18,06,66,923	-	-
iii)	Sales of goods	-	-	(36,91,209)	21,59,782	-	-
iv)	Advance received	-	-	-	20,00,000	-	-
vi)	Advance return	-	-	-	20,00,000	-	-
<hr/>							
i)	Outstanding Payables as on 31 <sup>st</sup> March	6,00,000	3,00,000	-	14,99,693	-	-
ii)	Advance given against goods purchase as on 31 <sup>st</sup> March	-	-	81,75,449	-	-	-

**PATDIAM JEWELLERY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**c) Disclosure in respect of Transaction with related parties during the year**

Sr. No	Nature of Transaction	Key Management Personnel	Enterprise over which Key Managerial Personnel has direct control		
		Samri Kakadia	Patdiam	Patdiam Jewels	Zest Corporation
i)	Payments to & provision for Directors' remuneration/	3,00,000 (3,00,000)	- -	- -	- -
ii)	Purchases of goods	- -	23,40,74,918 (16,48,38,457)	59,054 (1,58,28,466)	- -
iii)	Sales of goods	- -	- -	36,91,209 (21,59,782)	- -
iv)	Advance received	- -	- -	- -	- (20,00,000)
v)	Advance return	- -	- -	- -	- (20,00,000)
i)	Outstanding Payables as on 31 <sup>st</sup> March	6,00,000 (3,00,000)	- (14,99,693)	- -	- -
ii)	Advance given against goods purchase as on 31 <sup>st</sup> March	- -	81,75,449 -	- -	- -

27 The Profit and Loss Account includes payments and provisions on account of the Managing Director and Whole-time Director as under :

Particulars	Managing Director	Other Director	Total 2019-20	Total 2018-19
i) Salaries	3,00,000	-	3,00,000	3,00,000
ii) Perquisites	-	-	-	-
iii) Commission	-	-	-	-
vi) Sitting Fees	-	-	-	-
	<b>3,00,000</b>	<b>-</b>	<b>3,00,000</b>	<b>3,00,000</b>

**28 EARNING PER SHARE**

	As on 31.3.20	As on 31.3.19
Profit after Tax	1,74,51,235	1,15,79,468
No. of shares outstanding	4317000	4317000
Weighted Avg. No. of shares + potential shares o/s	4317000	4317000
Earning per share(Basic)	4.04	2.68
Earning per share(Diluted)	4.04	2.68

**29 VALUE OF IMPORTS ON C.I.F. BASIS :**

	As on 31.3.20	As on 31.3.19
Raw Materials	11,04,01,815	8,28,59,713
Consumable Stores	16,93,902	25,39,927
Capital Goods	12,22,288	-
Expenditure	60,09,340	45,15,359
	<b>11,93,27,345</b>	<b>8,99,15,000</b>



**PATDIAM JEWELLERY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**30 EARNINGS IN FOREIGN EXCHANGE:**

	<b>As on 31.3.20</b>	As on 31.3.19
F.O.B.Value of Exports	<b>61,82,41,213</b>	68,16,43,024
	<b>61,82,41,213</b>	68,16,43,024

**31 FINANCIAL INSTRUMENTS / FORWARD CONTRACTS :**

Unhedged Foreign Currency exposure :

Particulars	31.03.2020		31.03.2019	
	US \$	Amount (₹)	US \$	Amount (₹)
Outstanding Receivables	\$ 28,80,057	21,79,19,476	\$ 31,58,281	21,84,10,889
Outstanding creditors for goods and spares	\$ 2,42,350	1,83,37,412	\$ 1,81,187	1,25,29,999
Exchange Earner's Foreign Currency a/c with Banks	\$ -	-	\$ 4,20,258	2,90,62,963
Packing credit in foreign currency with Bank	\$ 6,03,386	4,56,55,203	\$ 7,24,832	5,01,25,727
Post shipment credit in foreign currency with Bank	\$ -	-	\$ 4,72,700	3,26,89,569

**32 REMUNERATION TO AUDITORS:**

	<b>As on 31.3.20</b>	As on 31.3.19
As Auditors	<b>1,25,000</b>	1,10,000
Tax Audit Fees	<b>30,000</b>	30,000
Others	<b>45,000</b>	45,000
Total	<b>2,00,000</b>	1,85,000

**33** During 2006, company has acquired some equity interest (equal to 18%) in two USA based companies, namely American Value Chain Inc(AVC) and Gems Media LLC (GM) by the investing in the aggregate a sum of US \$ 2,00,000 (Equivalent Indian ` 92,55,666/-)(US \$ 190000 in AVC and US \$ 10000 in GM-Equal to ` 87,92,568/- in AVC and ` 4,63,098/- in GM). Subsequent to investment both companies run in to trouble and incurred huge loss. The aggregate loss as on April, 2008 was US \$ 47,45,220.67. However, company had a share holder agreement with other share holders of these companies where in it was protected from the loss and was given an exit option at a valuation of it is interest for US \$ 9,80,456.13, after 2009. Company has exercised its option and claimed that other share holders buy out its interest at an agreed consideration in terms of share holder's agreement. However, other share holders had initially sought an extension of time, Ever after expiry of extened period, they have used delaying tactics citing huge loss, financial crunch etc as reason. Pending action in terms of share holder's agreement, company continue to present its investment as such and has not considered any provision for diminution in value of its investments in terms of theoretical value of its equity interest.Also, it has other trade receivable of US \$ 1,76,741.72(Equivalent Indian ` 1,33,73,162/- as at year end) due from GM which it has continue to carry at book value. In the mean time company came to know that order share holders have put in more equity fund in the companies and raised their interest developments and after having exhausted all informal channels, finally in current financial year i.e.in F.Y.2015-16 company has lodged a suite in court of law in USA and claimed remedy and specific performance under share holder's agreement. It has made a plea before th court of law that its equity interest be brought out and it be paid compensation as per share holder's agreement. Management if the company has been advised by its USA Lawyers that, there is more than probable chance of it getting its claim. Considering this company has continued to show it investment at cost and other receivables from these companies at book value and has not make any provision for loss by way of diminution in value of investment or bad debts for book debts. However as it has now filed a suite and expressed its intention to transfer or sale its equity interest in those companies, same has been classified as current investments.

**PATDIAM JEWELLERY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020**

**34 COVID- 19 effects and assessment :**

The COVID-19 pandemic is rapidly spreading throughout the world. The operations of the company were impacted, due to shutdown of plants and offices following lockdown as per directives from the Government of India.

The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no major significant impact on its financial statements as at 31st March, 2020

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

**35** The previous year's figures have been regrouped and rearranged wherever necessary to make in compliance with the current financial year.

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**For Pulindra Patel & Co.**  
**Chartered Accountants**  
**FRN No. 115187W**

**For and on behalf of the Board**

**Pulindra Patel**  
*Proprietor*  
**Membership No. 48991**  
**Place : Mumbai**  
**Date : 30<sup>th</sup> June, 2020**

**Bharat Shah**  
*Chief Financial Officer*

**Navita Choudhary**  
*Company Secretary*

**Mr. Pravin Kakadia**  
*Chairman & Director*  
**(DIN 00178140)**

**Mr. Samir Kakadia**  
*Managing Director*  
**(DIN 00178128)**

**Place : Mumbai**  
**Date : 30<sup>th</sup> June, 2020**

