

# B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
Fax +91 (22) 4345 5399

## Independent Auditors' Report

To the Members of  
Tribhovandas Bhimji Zaveri (Bombay) Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of Tribhovandas Bhimji Zaveri (Bombay) Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



**Independent Auditors' Report (Continued)**

Tribhovandas Bhimji Zaveri (Bombay) Limited

**Auditors' Responsibility (Continued)**

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of Section 143 of the Act, we enclose in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section 3 of Section 143 of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors as on 31 March 2017 taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2017 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.



**Independent Auditors' Report (Continued)**

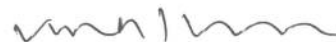
Tribhovandas Bhimji Zaveri (Bombay) Limited

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - 1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 to the financial statements;
  - 2. The Company did not have any long-term contracts including derivative contracts, requiring provisions under any Act or accounting standard for any material foreseeable losses
  - 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
  - 4. The Company has provided the requisite disclosure in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the Management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 33 to the financial statements.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022



**Vijay Mathur**

*Partner*

Membership No: 046476

Mumbai  
3 May 2017

Tribhovandas Bhimji Zaveri (Bombay) Limited

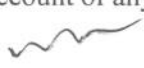
**Annexure A to the Independent Auditors' Report**

With reference to the Annexure A referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year, the frequency of such verification is reasonable and no material discrepancies were noticed.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships, or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans, investments, guarantees, or security covered under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, service tax, cess, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of sales tax, value added tax and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of customs, service tax, cess, and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, duty of customs, and service tax which have not been deposited with the appropriate authorities on account of any dispute.



Tribhovandas Bhimji Zaveri (Bombay) Limited

**Annexure A to the Independent Auditors' Report (Continued)**

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any borrowing from government or outstanding debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation given to us, Company has neither paid nor provided for any managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of Section 177 of the Act are not applicable to the Company.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**  
Chartered Accountants

Firm's Registration No: 101248W/W-100022



**Vijay Mathur**  
Partner

Membership No: 046476

Mumbai  
3 May 2017

Tribhovandas Bhimji Zaveri (Bombay) Limited

**Annexure B to the Independent Auditors' Report**

(Referred to in our report of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of Tribhovandas Bhimji Zaveri (Bombay) Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**


The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





Tribhovandas Bhimji Zaveri (Bombay) Limited

**Annexure B to the Independent Auditors' Report (Continued)**

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **B S R & Co. LLP**  
Chartered Accountants

Firm's Registration No: 101248W/W-100022



**Vijay Mathur**  
Partner

Membership No: 046476

Mumbai  
3 May 2017

# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Balance sheet

as at 31 March 2017

(Indian Rupees)

	Notes	31 March 2017	31 March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	502,000	502,000
Reserves and surplus	4	(81,516,776)	(43,686,976)
		<u>(81,014,776)</u>	<u>(43,184,976)</u>
<b>Non-current liabilities</b>			
Long-term provisions	5	<u>11,628,941</u>	<u>10,182,512</u>
		<u>11,628,941</u>	<u>10,182,512</u>
<b>Current liabilities</b>			
Trade payables	6	-	-
(A) Total outstanding Due to Micro Enterprises and Small Enterprises		31,341,989	14,033,663
(A) Total outstanding Due to Other Micro Enterprises and Small Enterprises		82,388,825	70,245,418
Other current liabilities	7	2,480,041	3,319,770
Short-term provisions	8	<u>116,210,855</u>	<u>87,598,851</u>
		<u>46,825,020</u>	<u>54,596,387</u>
<b>TOTAL</b>			
		<u>46,825,020</u>	<u>54,596,387</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	9		
Tangible assets		33,144,779	34,365,876
Intangible assets		<u>473,123</u>	<u>1,140,696</u>
		<u>33,617,902</u>	<u>35,506,572</u>
Non-current investments	10	517,575	517,575
Deferred tax assets (net)	11	-	-
Long-term loans and advances	12	<u>11,920,955</u>	<u>16,150,570</u>
		<u>12,438,530</u>	<u>16,668,145</u>
<b>Current assets</b>			
Inventories	13	-	920,953
Trade receivables	14	-	859,319
Cash and bank balance	15	418,921	200,566
Short-term loans and advances	16	<u>349,667</u>	<u>440,832</u>
		<u>768,588</u>	<u>2,421,670</u>
<b>TOTAL</b>			
		<u>46,825,020</u>	<u>54,596,387</u>
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/ W-100022

Vijay Mathur

Partner

Membership No: 046476

Mumbai

3 May 2017

For and on behalf of the Board of Directors of  
Tribhovandas Bhimji Zaveri (Bombay) Limited  
CIN : U36911MH1986PLC039643

Shrikant Zaveri

Director

DIN :00263725

Mumbai

3 May 2017

Raashi Zaveri

Director

DIN :00713688



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Statement of profit and loss

for the year ended 31 March 2017

(Indian Rupees)

	Notes	31 March 2017	31 March 2016
<b>INCOME</b>			
Revenue from operations	17	153,387,039	132,076,691
Other income	18	1,052,579	906,941
<b>Total revenue</b>		<b>154,439,618</b>	<b>132,983,632</b>
<b>EXPENSES</b>			
Employee benefits	19	55,549,864	57,563,760
Finance costs	20	12,714	1,372,025
Depreciation and amortisation	9	3,239,998	3,606,889
Other expenses	21	134,778,193	110,570,037
<b>Total expenses</b>		<b>193,580,769</b>	<b>173,112,711</b>
<b>(Loss) before tax</b>		<b>(39,141,151)</b>	<b>(40,129,079)</b>
<b>Tax expense</b>			
- Deferred tax charge	11	-	5,447,200
- Provision for tax of earlier years		(1,311,351)	(1,516,706)
<b>Total tax expense</b>		<b>(1,311,351)</b>	<b>3,930,494</b>
<b>(Loss) for the year</b>		<b>(37,829,800)</b>	<b>(44,059,573)</b>
Earnings per equity share (Nominal value of share Rs.100 (31 March 2016: Rs. 100))			
Basic and diluted	29	(7,535.82)	(8,776.81)

Significant accounting policies

2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/ W-100022

Vijay Mathur

Partner

Membership No: 046476

Mumbai

3 May 2017

For and on behalf of the Board of Directors of  
Tribhovandas Bhimji Zaveri (Bombay) Limited  
CIN : U36911MH1986PLC039643

Shrikant Zaveri

Director

DIN :00263725

Mumbai

3 May 2017

Raashi Zaveri

Director

DIN :00713688

# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Cash flow statement

for the year ended 31 March 2017

(Indian Rupees)

	31 March 2017	31 March 2016
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (loss) before tax	(39,141,151)	(40,129,079)
Adjustments for:		
Depreciation and amortisation	3,239,998	3,606,889
Finance costs	12,714	1,372,025
Interest income on bank deposits	(34,735)	(29,314)
Interest income on income tax refund	(1,016,111)	(535,684)
Dividend income	(1,733)	(17,303)
Provisions written back	-	(324,640)
<b>Operating cash flow before working capital changes</b>	<b>(36,941,018)</b>	<b>(36,057,106)</b>
<b>Movements in working capital</b>		
Decrease in trade receivables	859,319	26,225,047
Decrease/(increase) in inventories	920,953	(621,980)
Decrease/(increase) in current assets and loans and advances	87,765	(209,208)
Increase/(decrease) in trade payables	17,308,326	5,731,780
Increase in current liabilities and provisions	12,750,107	57,323,798
<b>Cash (used in)/generated from operations</b>	<b>(5,014,548)</b>	<b>52,392,331</b>
Income tax paid	5,544,365	241,753
<b>Net cash generated from operating activities</b>	<b>(A) 529,817</b>	<b>52,634,084</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,351,327)	(6,392,381)
Interest received on deposits	34,735	29,314
Interest received on income tax refund	1,016,111	535,684
Dividend received	1,733	17,303
<b>Net cash (used in) investing activities</b>	<b>(B) (298,748)</b>	<b>(5,810,080)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost paid	(12,714)	(1,372,025)
Repayment of borrowings	-	(49,957,907)
<b>Net cash (used in) financing activities</b>	<b>(C) (12,714)</b>	<b>(51,329,932)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C) 218,355</b>	<b>(4,505,928)</b>
<b>Cash and cash equivalent at beginning of year (refer note below)</b>	<b>200,566</b>	<b>4,706,494</b>
<b>Cash and cash equivalent at end of year (refer note below)</b>	<b>418,921</b>	<b>200,566</b>

### Notes to cash flow statement

#### 1 Components of cash and cash equivalents:

Cash in hand	32,720	6,966
Balances with banks		
- on current accounts	386,201	193,600
	<b>418,921</b>	<b>200,566</b>

#### 2 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".

Significant accounting policies (refer note 2)

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/ W-100022



Vijay Mathur

Partner

Membership No: 046476

Mumbai

3 May 2017

For and on behalf of the Board of Directors of  
Tribhovandas Bhimji Zaveri (Bombay) Limited  
CIN : U36911MH1986PLC039643



Shrikant Zaveri

Director

DIN :00263725

Mumbai

3 May 2017



Raashi Zaveri

Director

DIN :00713688

# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements

for the year ended 31 March 2017

(Indian Rupees)

### 1 Company overview

Tribhovandas Bhimji Zaveri (Bombay) Limited ("the Company") was incorporated on 24 April 1986, in Mumbai. The Company has been converted to a public limited company w.e.f. 27 December 2010. The Company is involved in the business of goldsmiths, silversmiths, gem merchants and other related activities.

### 2 Significant accounting policies

#### 2.1 Basis of Preparation of financial statements

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the provisions of the Act and other accounting principles generally accepted in India, to the extent applicable.

#### Going Concern

These financial statements have been prepared on a going concern basis notwithstanding the losses incurred by the Company. The Company has received a letter from its Holding Company, confirming its support for continued operations of the Company at least up to 31 March 2018. Management believes that the same will enable the Company to continue as a going concern and meet its financial obligations in the near future. These financial statements, therefore, do not include any adjustments relating to recoverability and classification of asset and classification of liabilities that may be necessary if the Company was unable to continue as a going concern.

#### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### 2.3 Current-non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria :

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded ;
- it is expected to be realised within 12 months after reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date .

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the company's normal operating cycle
- it is held primarily for the purpose of being traded
- it is due to be settled within 12 months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

##### Operating Cycle :

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current non-current classification of assets and liabilities.

#### 2.4 Fixed assets and depreciation / amortisation

##### Tangible fixed assets.

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Indian Rupees)

### 2 Significant accounting policies (Continued)

#### 2.4 Fixed assets and depreciation / amortisation (Continued)

Depreciation on fixed assets has been provided using straight line method over its useful lives in compliance with Schedule II of Companies Act, 2013, where hitherto Written Down Value method was adopted. Pursuant to this policy, the management estimates the useful lives for the assets as follows:

Factory buildings	30 years
Plant and machinery	15 years
Computer equipment	3 years
Furniture and fixtures	10 years
Vehicles	8 years

Depreciation for the year is recognised in the Statement of Profit and Loss.

#### Intangible fixed assets.

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised.

Intangible assets are amortised in statement of profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on a straight line basis over a period of five years.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

#### 2.5 Impairment of assets

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cashflows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### 2.6 Inventories

Inventories are carried at lower of cost and net realizable value. Cost is determined in case of gold and silver at weighted average cost. Cost of consumables are determined on first-in-first-out basis.

Cost comprises all cost of purchase, duties, taxes and all other costs incurred in bringing the inventory to their present location and condition.

Raw materials and other supplies held for use in the providing services are not written down below cost except in cases where the cost is not fully recovered from the revenue for rendering services.

#### 2.7 Revenue recognition

Revenue from services is recognized upon rendering of services to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

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

Dividend income is recognised when the right to receive payment is established.

#### 2.8 Foreign exchange transactions

Foreign exchange transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the closing exchange rates. The resultant exchange differences are recognized in the Statement of Profit and Loss.

#### 2.9 Investments

Long-term investments are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Indian Rupees)

### 2 Significant accounting policies (Continued)

#### 2.10 Employee benefits

##### Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

##### Post employment benefits

##### Defined contribution plans

##### Provident fund and Employees State Insurance

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contribution to a government administered schemes and has no obligation to pay any amounts. The Company makes specified monthly contributions towards Provident Fund and Employees State Insurance at the prescribed rates. Provident Fund and Employee State Insurance dues are recognized when the liability to contribute to the Provident Fund and Employees State Insurance arises under the respective Acts.

##### Defined benefit plans

##### Gratuity

The Company's gratuity benefit scheme is an unfunded defined benefit plan. Provision towards gratuity are provided on the basis of an independent actuarial valuation carried out at the end of the year using the projected unit credit method and are debited to the Statement of Profit and Loss on an accrual basis. Actuarial gains and losses arising during the year are recognised in the Statement of Profit and Loss.

##### Other long-term employee benefits

##### Compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

#### 2.11 Leases

Lease rentals in respect of assets acquired under operating lease are charged off to the Statement of Profit and Loss account on a straight line basis.

#### 2.12 Income taxes

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Income-tax expense is recognised in profit or loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using tax rates and tax laws 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 carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

#### 2.13 Earnings per share

Basic earnings per share is calculated by dividing the net profit 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 year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Indian Rupees)

## 2 Significant accounting policies (Continued)

### 2.14 Provision and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may or may 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.





# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements (Continued)

as at 31 March 2017

(Indian Rupees)

	31 March 2017	31 March 2016
<b>3 Share capital</b>		
<b>Authorised</b>		
10,000 (31 March 2016: 10,000) equity shares of Rs 100 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>Issued, subscribed and paid-up</b>		
5,020 (31 March 2016: 5,020) equity shares of Rs 100 each fully paid-up	502,000	502,000
	<u>502,000</u>	<u>502,000</u>

### Note :

#### a Reconciliation of the shares outstanding at the beginning and at the end of the year

	31 March 2017		31 March 2016	
Equity Shares	No. of shares	Amount	No. of shares	Amount
At the beginning and at the end of the year	5,020	502,000	5,020	502,000

#### b Details of shareholders holding more than 5% shares in the Company

	31 March 2017		31 March 2016	
	% holding in class	No. of Shares	% holding in class	No. of Shares
Equity shares of Rs. 100 each fully paid-up				
Tribhovandas Bhimji Zaveri Limited and nominee	100%	5,020	100%	5,020

#### c Terms / rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

#### d Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	31 March 2017		31 March 2016	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 100 each fully paid-up held by				
Holding Company - Tribhovandas Bhimji Zaveri Limited and nominee	5,020	502,000	5,020	502,000
	<u>5,020</u>	<u>502,000</u>	<u>5,020</u>	<u>502,000</u>

## 4 Reserves and surplus

### i) Securities premium account

At the commencement of the year	19,731,360	19,731,360
	<u>19,731,360</u>	<u>19,731,360</u>

### ii) Deficit in Statement of profit and loss

At the commencement of the year	(63,418,336)	(19,358,763)
(Loss) for the year	<u>(37,829,800)</u>	<u>(44,059,573)</u>
	<u>(101,248,136)</u>	<u>(63,418,336)</u>
	<u>(81,516,776)</u>	<u>(43,686,976)</u>

### Total reserves and surplus



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements (Continued)

as at 31 March 2017

(Indian Rupees)

	31 March 2017	31 March 2016
<b>5 Long-term provisions</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 23)	11,628,941	9,280,847
- Provision for compensated absences (refer note 23)	-	901,665
	<u>11,628,941</u>	<u>10,182,512</u>
<b>6 Trade payables</b>		
Due to		
Micro enterprises and Small enterprises (refer note 24)	-	-
Other than Micro enterprises, Small enterprises	8,790,509	2,813,183
- due to related parties (refer note 31)	22,551,480	11,220,480
	<u>31,341,989</u>	<u>14,033,663</u>
<b>7 Other current liabilities</b>		
<b>Other payables</b>		
- Outstanding expenses	52,770,027	26,890,079
- Employee benefits payable	8,931,796	8,528,678
- Creditors for capital goods	-	846,369
- Statutory liabilities	1,090,629	995,413
- Book overdraft	-	884,290
- Advance received from customer	19,596,373	32,100,589
	<u>82,388,825</u>	<u>70,245,418</u>
<b>8 Short-term provisions</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 23)	378,839	672,353
- Provision for compensated absences (refer note 23)	2,101,202	2,647,417
	<u>2,480,041</u>	<u>3,319,770</u>



## 9 Fixed assets

Figures in brackets are the corresponding figures of the previous year.



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements (Continued)

as at 31 March 2017

(Indian Rupees)

	31 March 2017	31 March 2016
<b>10 Non-current investments</b>		
<b>Other investments (Cost):</b>		
- Investments in equity instruments (Quoted)		
17,300 (31 March 2016: 17,300) equity shares of Rs 10 each, fully paid-up of Dena Bank	506,025	506,025
- Investments in equity instruments (Unquoted)		
1,150 (31 March 2016: 1,150) equity shares of Rs.10 each, fully paid-up of Saraswat Co-operative Bank Ltd	11,550	11,550
	<u>517,575</u>	<u>517,575</u>
Aggregate book value of quoted non-current investment (Market Value Rs. 664,320, 31 March 2016: Rs.497,375)	506,025	506,025
Aggregate book value of unquoted non-current investment	11,550	11,550
<b>11 Deferred tax assets (net)</b>		
<i>Arising on account of timing difference in</i>		
<b>Deferred tax assets</b>		
- Provision for employee benefits	5,887,051	8,112,609
- Unabsorbed loss carried forward under tax law	27,377,384	10,616,765
<b>Total deferred tax assets</b>	<u>33,264,435</u>	<u>18,729,374</u>
<b>Deferred tax liabilities</b>		
-Excess of depreciation/amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts	(3,265,437)	(876,942)
<b>Total deferred tax liabilities</b>	<u>(3,265,437)</u>	<u>(876,942)</u>
<b>Deferred tax assets (net)</b>	<u>29,998,998</u>	<u>17,852,432</u>
<b>Deferred tax assets recognised in financial statements</b>	<u>-</u>	<u>-</u>
<b>Net change in deferred tax assets</b>	<u>-</u>	<u>-</u>
-The Company has carry forward losses under tax laws, therefore recognition of deferred tax assets on timing differences have been restricted to the extent there exist deferred tax liabilities, in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, in accordance with Accounting Standard 22 – 'Accounting for taxes on income'.		
<b>12 Long-term loans and advances</b>		
<i>(Unsecured, considered good)</i>		
<b>To related parties</b>		
- Security deposits (refer note 31)	5,400,000	5,400,000
<b>To parties other than related parties</b>		
- Security deposits	466,020	462,620
- Advance tax (net of provision for taxation Rs 8,818,804 (31 March 2016 : Rs 17,218,804))	6,054,935	10,287,950
	<u>11,920,955</u>	<u>16,150,570</u>



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements (Continued)

as at 31 March 2017

(Indian Rupees)

	31 March 2017	31 March 2016
<b>13 Inventories</b> (valued at the lower of cost and net realisable value)		
Consumables	-	920,953
	<u>-</u>	<u>920,953</u>
<b>14 Trade receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured and considered good (refer note 31)	-	-
Other receivables		
- Unsecured and considered good (refer note 31)	-	859,319
	<u>-</u>	<u>859,319</u>
<b>15 Cash and bank balances</b>		
Cash and cash equivalents		
Cash in hand	32,720	6,966
Balances with banks		
- on current accounts	386,201	193,600
	<u>418,921</u>	<u>200,566</u>
<b>16 Short-term loans and advances</b> (Unsecured, considered good)		
To parties other than related parties		
- Other loans and advances		
Employee advances	108,782	113,482
Prepaid expenses	187,361	259,303
Advances to others	53,524	68,047
	<u>349,667</u>	<u>440,832</u>



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Indian Rupees)

	31 March 2017	31 March 2016
<b>17 Revenue from operations</b>		
Service income		
- Labour charges	146,406,742	125,331,410
- Melting and refining	5,107,350	4,743,355
- Repairing charges	1,872,947	2,001,926
	<u>153,387,039</u>	<u>132,076,691</u>
<b>18 Other income</b>		
Interest income on bank deposits	34,735	29,314
Dividend income	1,733	17,303
Interest income on Income Tax refund	1,016,111	535,684
Liabilities no longer required written back	-	324,640
	<u>1,052,579</u>	<u>906,941</u>
<b>19 Employee benefits</b>		
Salaries, wages and bonus	48,183,470	47,784,496
Contributions to provident and other funds (refer note 23)	3,056,697	2,982,593
Gratuity expenses (refer note 23)	2,302,674	4,409,600
Compensated absences (refer note 23)	83,646	851,554
Staff welfare expenses	1,923,377	1,535,517
	<u>55,549,864</u>	<u>57,563,760</u>
<b>20 Finance costs</b>		
Interest expenses	12,714	1,372,025
	<u>12,714</u>	<u>1,372,025</u>
<b>21 Other expenses</b>		
Stores and spares consumed (refer note 27)	41,087,966	35,753,999
Job work charges	57,027,054	37,353,412
Power and fuel	6,192,056	6,240,061
Rent (refer note 25)	12,411,000	12,300,480
Rates and taxes	2,226,612	2,272,303
Repairs and maintenance:		
- Plant and machinery (refer note 26)	1,236,943	696,258
- Others	3,911,434	2,962,677
Insurance	39,792	68,769
Travelling and conveyance	254,803	150,318
Payment to auditors:		
- Statutory audit	805,000	801,500
- Out of pocket expenses	-	109,550
Legal and professional fees	4,179,492	6,325,424
Printing and stationery	374,819	410,890
Telephone and postage expenses	464,605	352,828
Security charges	3,118,091	3,128,160
Bank charges	17,078	21,980
Miscellaneous expenses	1,431,448	1,621,428
	<u>134,778,193</u>	<u>110,570,037</u>





# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Indian Rupees)

## 22 Contingent liabilities and commitments

### Contingent Liabilities

The Company's pending litigations comprise of claims against the Company pertaining to proceedings pending with Income Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial position.

### Commitments

Contracts remaining to be executed on capital account and not provided for as at 31 March 2017 is Rs. Nil (31 March 2016 : Rs.Nil ) (net of advances)

## 23 Employee benefits

### a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employees State Insurance, which are defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and other funds for the year aggregated to Rs.3,056,697 (31 March 2016: Rs. 2,982,593) which is shown under notes to financial statements 21 – 'Employee benefits'.

### b) Defined benefit plans

I Change in Benefit Obligation	Gratuity (unfunded)	
	31 March 2017	31 March 2016
Liability at the beginning of the year	9,953,200	6,739,902
Interest cost	785,349	529,082
Current service cost	1,689,847	1,693,353
Benefit paid	(248,094)	(1,196,302)
Actuarial (gain) / loss on obligations	(172,522)	2,187,165
Liability at the end of the year	12,007,780	9,953,200
<b>II Amount recognised in the Balance Sheet</b>		
Liability at the end of the year	12,007,780	9,953,200
Fair value of plan assets at the end of the year	-	-
Amount recognised in the balance sheet	12,007,780	9,953,200
<b>III Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	1,689,847	1,693,353
Interest cost	785,349	529,082
Net actuarial (gain) / loss to be recognised	(172,522)	2,187,165
Expense recognised in Statement of Profit and Loss	2,302,674	4,409,600
<b>IV Balance sheet reconciliation</b>		
Opening net liability	9,953,200	6,739,902
Expense as above	2,302,674	4,409,600
Contribution paid	(248,094)	(1,196,302)
Amount recognised in balance sheet	12,007,780	9,953,200
<b>V Principal actuarial assumptions</b>		
Discount rate per annum	6.69%	7.99%
Salary escalation rate per annum	10.00%	10.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Employee turnover rate	19.00%	18.00%



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Indian Rupees)

### 23 Employee benefits (Continued)

#### b) Defined benefit plans (Continued)

Classification into current/non-current

	Gratuity (Unfunded)			
	Non-current		Current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Gratuity	11,628,941	9,280,847	378,839	672,353
<b>Total</b>	<b>11,628,941</b>	<b>9,280,847</b>	<b>378,839</b>	<b>672,353</b>

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.

Amount for the current and previous four years are as follows:

Experience Adjustments	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013
Defined benefit obligation at end of the period	12,007,780	9,953,200	6,739,902	4,812,542	4,346,275
Plan assets at the end of the period	-	-	-	-	-
Funded status	(12,007,780)	(9,953,200)	(6,739,902)	(4,812,542)	(4,346,275)
Experience gain / (loss) adjustments on plan liabilities	2,349,676	37,857	(948,768)	(125,663)	(186,140)
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-

#### c) Other long-term employee benefits

##### Compensated absences

The liability towards compensated absences (privilege leave) for the year ended 31 March 2017 based on actual valuation has resulted in increase in liability by Rs. 83,646 (31 March 2016: Rs. 851,554).

### 24 Dues to Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprise.

On the basis of the information and records available with management, there are no dues to Micro, Small and Medium enterprises who have registered with the competent authorities.

Particulars	31 March 2017	31 March 2016
Principal amount and interest due thereon remaining unpaid to any supplier as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
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 the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Indian Rupees)

### 25 Leases

#### Operating lease as a lessee

The Company has recognized the rent expenses in the books of accounts on a straight line basis. Rental expenses under operating leases (including cancelable and non – cancelable) aggregating Rs. 10,800,000 (excluding service tax) (31 March 2016: Rs.10,800,000) have been included under "Other expenses - Rent" under the notes to financial statement 22 in the statement of profit and loss.

The future minimum lease payments in respect of non-cancellable operating leases as follows -

Particulars	31 March 2017	31 March 2016
Amount due within one year from the balance sheet date	10,800,000	10,800,000
Amount due for the period after one year and before five years	29,700,000	40,500,000
Amount due for the period after five years	-	-
<b>Total</b>	<b>40,500,000</b>	<b>51,300,000</b>

### 26 Expenditure in foreign currency

Particulars	31 March 2017	31 March 2016
Repairs and maintenance	546,303	278,376
<b>Total</b>	<b>546,303</b>	<b>278,376</b>

### 27 Details of imported and indigenous raw materials consumed during the financial year

Particulars	Percentage		Amount	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Imported	0.80%	0.55%	327,272	196,033
Indigenous	99.20%	99.45%	40,760,694	35,557,966
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>41,087,966</b>	<b>35,753,999</b>

### 28 Value of imports calculated on CIF basis

Particulars	31 March 2017	31 March 2016
Stores and spares	327,272	196,033
Capital goods	-	275,531
<b>Total</b>	<b>327,272</b>	<b>471,564</b>

### 29 Earning per share (EPS)

Particulars	31 March 2017	31 March 2016
(Loss) after taxation	(37,829,800)	(44,059,573)
Weighted average number of equity shares	5,020	5,020
Basic and diluted (loss) per share (face value Rs 100 per share)	(7,535.82)	(8,776.81)

### 30 Segment reporting

The Company has only one reportable business of rendering labour service for manufacture of jewellery and only one reportable geographical segment which is India. Accordingly, the segment information as required by Accounting Standard 17 on "Segment Reporting" is not required to be disclosed.



# Tribhovandas Bhimji Zaveri (Bombay) Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Indian Rupees)

### 31 Information on related party transactions as required by the Accounting Standard (AS) - 18 for the year ended 31 March 2017

#### I. Name of related parties

<b>Holding Company</b>
1 Tribhovandas Bhimji Zaveri Limited
<b>Key Managerial Personnel</b>
1 Shrikant G Zaveri, Director
2 Binaisha Zaveri, Director
3 Raashi Zaveri, Director
4 Mayur Choksi, Director

#### II. Details of related party transactions during the year ended 31 March 2017

Nature of Transaction	Holding Company	Key Managerial Personnel	Fellow subsidiaries
<b>Transactions during the year*</b>			
Service income	153,387,039 (132,076,691)	-	-
Rent paid	12,411,000 (12,300,480)	-	-
<b>Closing balances*</b>			
Security deposits	5,400,000 (5,400,000)	-	-
Trade receivables	- (859,319)	-	-
Rent payable	22,551,480 (11,220,480)	-	-
Advance received from customer	19,596,373 (32,100,589)	-	-

\*Amounts pertaining to year ended 31 March 2016 are in brackets.

32 The management is of the opinion that the Company's domestic transactions are at an arms' length price so that the transfer pricing legislation will not have any impact on the financial statements, particularly on the tax expenses and that on provision for tax.

33 The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are as follows:

Particulars	Specified Bank Notes (SBN)	Other denomination	Amount (Rs)
Closing cash in hand as on 08.11.2016	22,000	15,147	37,147
(+) Permitted receipts	-	220,000	220,000
(-) Permitted payments	-	179,333	179,333
(-) Amount deposited in Banks	22,000	-	22,000
Closing cash in Hand as on 30.12.2016	-	55,814	55,814

### 34 Previous year figures

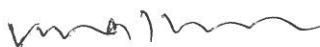
The figures of the previous year have been regrouped/ recast, where necessary, to conform to the current year classification.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/ W-100022



Vijay Mathur

Partner

Membership No: 046476

Mumbai

3 May 2017

For and on behalf of the Board of Directors of  
Tribhovandas Bhimji Zaveri (Bombay) Limited  
CIN : U36911MH1986PLC039643



Shrikant Zaveri

Director

DIN :00263725

Mumbai

3 May 2017



Raashi Zaveri

Director

DIN :00713688