

Tribhovandas Bhimji Zaveri (Bombay) Limited

Ind AS Financial Statements

together with the

Independent Auditors' Report

for the year ended 31 March 2018

Tribhovandas Bhimji Zaveri (Bombay) Limited

Ind AS Financial Statements together with the Independent Auditors' Report
for the year ended 31 March 2018

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Independent Auditors' Report

To the Members of Tribhovandas Bhimji Zaveri (Bombay) Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Tribhovandas Bhimji Zaveri (Bombay) Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of profit and loss, the Statement of changes in equity and the Statement of cash flows for the year then ended, and summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the rules issued thereunder.

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 Ind AS 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 Ind AS 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 of the Ind AS financial statements 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 2018, its profit and other comprehensive income, changes in equity 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 terms of conferred sub-section 11 of Section 143 of the Act, we give 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, the Statement of changes in equity and the Statement of cash flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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


Report on Other Legal and Regulatory Requirements (*Continued*)

- f) With respect to the adequacy of the internal financial controls with reference to financial statements 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:
 - i. The Company did not have any pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

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

Chartered Accountants

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



Vijay Mathur

Partner

Membership No: 046476

Mumbai
2 May 2018

Tribhovandas Bhimji Zaveri (Bombay) Limited

“Annexure A” to the Independent Auditor’s Report

With reference to the “Annexure A” referred to in the Independent Auditor’s Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (property, plant and equipment).

(b) The Company has a regular programme of physical verification of its fixed assets (property, plant and equipment) by which all fixed assets (property, plant and equipment) are verified in a phased manner over a period of two years. In accordance with this programme, a portion of the fixed assets (property, plant and equipment) 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 Company is involved in the business of goldsmiths, silversmiths, gem merchants related services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any investments or granted any loans, or security or guarantee covered under Section 185 or 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (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.
- (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, Service tax, Duty of customs, 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.

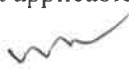
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees’ state insurance, Income-tax, Service tax, Duty of



Tribhovandas Bhimji Zaveri (Bombay) Limited

“Annexure A” to the Independent Auditor’s Report (*Continued*)

customs, Cess, and other material statutory dues were in arrears as at 31 March 2018 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, Service tax and Duty of customs which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding dues to financial institutions, banks and government or outstanding debentures during the year. Accordingly paragraph 3(viii) of the Order is not applicable.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (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) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither paid nor provided for any managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (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. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24. The provisions of Section 177 of the Act are not applicable to the Company.
- (xiv) According to the information and explanations given 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.
- (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/her. Accordingly, paragraph 3(xv) of the Order is not applicable.
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Tribhovandas Bhimji Zaveri (Bombay) Limited

“Annexure A” to the Independent Auditor’s Report (*Continued*)

- (xvi) In our opinion and according to the information and explanations given to us, 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.

For B S R & Co. LLP
Chartered Accountants
Firm’s Registration No: 101248W/W-100022



Vijay Mathur ✓
Partner

Membership No:046476

Mumbai
2 May 2018

Tribhovandas Bhimji Zaveri (Bombay) Limited

“Annexure B” to the Independent Auditor’s 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 with reference to financial statements of Tribhovandas Bhimji Zaveri (Bombay) Limited as at 31 March 2018 in conjunction with our audit of the Ind AS 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 with reference to financial statements 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“the 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 with respective to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Ind AS 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 with reference to financial statements.



Tribhovandas Bhimji Zaveri (Bombay) Limited

“Annexure B” to the Independent Auditor’s Report (*Continued*)

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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
2 May 2018

Tribhovandas Bhimji Zaveri (Bombay) Limited

Balance sheet

as at 31 March 2018

(Indian Rupees)

	Notes	31 March 2018	31 March 2017	1 April 2016
ASSETS				
1) Non-current assets				
a) Property, plant and equipment	3	32,252,038	33,144,779	34,365,876
b) Intangible assets	4	226,224	473,123	1,140,696
c) Financial assets				
(i) Other investments	5	336,790	675,870	508,925
(ii) Loans	6	4,847,719	4,372,753	4,046,778
d) Deferred tax assets (net)	7	-	-	-
e) Other tax assets	8	2,376,009	6,054,935	10,287,950
f) Other non current assets	9	664,559	1,042,385	1,327,048
Total non-current assets		40,703,339	45,763,845	51,677,273
2) Current assets				
a) Inventories	10	-	-	920,953
b) Financial assets				
(i) Trade receivables	11	17,067,265	-	859,319
(ii) Cash and cash equivalents	12	1,293,700	418,921	200,566
c) Other current assets	13	3,378,166	727,492	911,820
Total current assets		21,739,131	1,146,413	2,892,658
Total assets		62,442,470	46,910,258	54,569,931
EQUITY AND LIABILITIES				
1) Equity				
a) Equity share capital	14	502,000	502,000	502,000
b) Other equity	15	-77,163,388	-81,431,537	-43,713,430
Equity attributable to equity holders of the company		-76,661,388	-80,929,537	-43,211,430
2) Liabilities				
(i) Non-current liabilities				
a) Provisions	16	8,551,338	11,628,941	10,182,512
Total non-current liabilities		8,551,338	11,628,941	10,182,512
(ii) Current liabilities				
a) Financial liabilities				
Trade payables	17	51,268,725	31,341,988	14,033,661
b) Provisions	18	3,159,929	2,480,041	3,319,770
c) Other current liabilities	19	76,123,866	82,388,825	70,245,418
Total current liabilities		130,552,520	116,210,854	87,598,849
Total equity and liabilities		62,442,470	46,910,258	54,569,931

Significant accounting policies 2
The notes referred to above form an integral part of the financial statements 3 to 26

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/ W-100022

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

Vijay Mathur
Partner
Membership No: 046476

Shrikant Zaveri
Director
DIN :00263725

Binaisha Zaveri
Director
DIN :00263657

Mumbai
Date: 2 May 2018

Mumbai
Date: 2 May 2018

Tribhovandas Bhimji Zaveri (Bombay) Limited

Statement of Profit and Loss

for the year ended 31 March 2018

(Indian Rupees)	Notes	31 March 2018	31 March 2017
INCOME			
Revenue from operations			
Service income	20	201,198,596	153,387,039
Other income	21	1,684,847	1,375,153
Total Income		202,883,443	154,762,192
EXPENSES			
Employee benefits expense	22	53,669,139	55,722,386
Finance costs	23	-	12,714
Depreciation and amortisation expenses	24	3,412,870	3,239,998
Other expenses	25	144,384,227	135,156,019
Total expenses		201,466,236	194,131,117
Profit/(Loss) before tax		1,417,207	(39,368,925)
Tax expense			
- Provision pertaining to earlier years		271,064	(1,311,351)
Total tax expense		271,064	(1,311,351)
Profit/(Loss) for the year		1,146,143	(38,057,574)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
a) Re-measurement of defined benefit plan		3,122,006	339,467
Other Comprehensive Income		3,122,006	339,467
Total Comprehensive Income for the year		4,268,149	(37,718,107)
Earnings per equity share	26.6		
(Nominal value of share Rs. 100 (31 March 2017: Rs. 100))			
(1) Basic		228.32	(7,581.19)
(2) Diluted		228.32	(7,581.19)
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements	3 to 26		

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/ W-100022

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


Vijay Mathur
Partner
Membership No: 046476


Shrikant Zaveri
Director
DIN : 00263725


Binaisha Zaveri
Director
DIN : 00263657

Mumbai
Date: 2 May 2018

Mumbai
Date: 2 May 2018

Tribhovandas Bhimji Zaveri (Bombay) Limited

Statement of Cash flows

for the year ended 31 March 2018

(Indian Rupees)

	31 March 2018	31 March 2017
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) before tax	1,417,207	(39,368,925)
Adjustments for:		
Depreciation and amortisation	3,412,870	3,239,998
Finance costs	-	12,714
Interest income on bank & security deposits	(407,754)	(357,309)
Interest income on income tax refund	(1,273,628)	(1,016,111)
Dividend income	(3,465)	(1,733)
Operating cash flow before working capital changes	3,145,230	(37,491,366)
Movements in working capital		
Decrease/(increase) in trade receivables	(17,067,265)	859,319
Decrease/(increase) in inventories	-	920,953
Decrease/(increase) in current assets and loans and advances	(2,747,814)	143,017
Increase/(decrease) in trade payables	19,926,737	17,308,327
Increase/(decrease) in current liabilities and provisions	(5,201,588)	12,922,629
Cash generated for operations	(1,944,700)	(5,337,121)
Income tax (paid)/ refund received	4,681,490	6,560,476
Net cash generated from operating activities	(A) 2,736,790	1,223,355
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment, intangible assets (including capital work-in-progress and capital advances)	(2,273,230)	(1,351,328)
Interest received on deposits	407,754	357,309
Dividend received	3,465	1,733
Net cash (used) / generated from investing activities	(B) (1,862,011)	(992,286)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	-	(12,714)
Net cash (used) in financing activities	(C) -	(12,714)
Net increase in cash and cash equivalents	(A+B+C) 874,779	218,355
Cash and cash equivalent at beginning of year (refer note below)	418,921	200,566
Cash and cash equivalent at end of year (refer note below)	1,293,700	418,921
Notes to cash flow statement		
1 Components of cash and cash equivalents: (refer note 12)		
Cash in hand	7,759	32,720
Balances with banks		
- on current accounts	1,285,941	386,201
	1,293,700	418,921

- 2** The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (IND AS-7), "Statement of cash flows".

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

3 to 26

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

Date: 2 May 2018

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

Shrikant Zaveri

Director

DIN :00263725

Mumbai

Date: 2 May 2018

Binaisha Zaveri

Director

DIN :00263657

Tribhovandas Bhimji Zaveri (Bombay) Limited

Statement of Changes in Equity

for the year ended 31 March 2018

(Indian Rupees)

A. Equity Share Capital

	Notes	Amount
Balance as at 1 April 2016	14	502,000
Changes in equity share capital during the year		-
Balance as at 31 March 2017		502,000
Changes in equity share capital during the year		-
Balance as at 31 March 2018		502,000

B. Other Equity

Particulars	Reserves and Surplus		Items of Other Comprehensive Income (OCI)	Total
	Securities premium account	Deficit in statement of profit and loss	Re-measurement of defined benefit plan	
Balance as at 1 April 2016	19,731,361	(63,444,791)	-	(43,713,430)
Loss for the year	-	(38,057,574)	-	(38,057,574)
Other comprehensive income for the year	-	-	339,467	339,467
Total comprehensive income	-	(38,057,574)	339,467	(37,718,107)
Balance as at 31 March 2017	19,731,361	(101,502,365)	339,467	(81,431,537)
Profit for the year	-	1,146,143	-	1,146,143
Other comprehensive income for the year	-	-	3,122,006	3,122,006
Total comprehensive income	-	1,146,143	3,122,006	4,268,149
Balance as at 31 March 2018	19,731,361	(100,356,222)	3,461,473	(77,163,388)

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of the Board of Directors of

Tribhovandas Bhimji Zaveri (Bombay) Limited

CIN : U36911MH1986PLC039643

Vijay Mathur

Partner

Membership No: 046476

Mumbai

Date: 2 May 2018

Shrikant Zaveri

Director

DIN :00263725

Mumbai

Date: 2 May 2018

Binaisha Zaveri

Director

DIN :00263657

Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements

for the year ended 31 March 2018

(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 Basis of preparation of financial statement and significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of Preparation of financial statements

a. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 26.09.

The financial statements were authorized for issue by the Company's Board of Directors at their meeting held on 2 May 2018.

b. 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 2019. 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.

c. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

d. Basis of measurement

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- Net defined benefit liability

e. Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations - Note 26.3
- (c) Recognition of deferred tax assets - Note 7 (a) and (b)

f. 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:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after reporting date; or
- d. 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:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. 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.



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2018

2 Basis of preparation of financial statement and significant accounting policies (Continued)

2.2 Significant accounting policies

a) Property, Plant and Equipment ('PPE')

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment comprises its purchase price/acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from tax authorities), any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase/completion is capitalized only if it is probable that future economic benefit associated with the expenditure will flow to the company.

Property, plant and equipment not ready for the intended use on the date of balance sheet are disclosed as "Capital work-in-progress".

If significant parts of an item of property, plant and equipment have different lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses arising from disposal or retirement of property, plant and equipment are recognised in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of property, plant and equipment (See Note 3).

Depreciation on PPE has been provided under pro-rata basis using straight line method over its useful life in compliance with Schedule II of Companies Act, 2013. Freehold land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

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

b) Intangible 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 the 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.

The Company's intangible assets comprise of Computer software which are being amortised on a straight line basis over their estimated useful life 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.

On transition to Ind AS, the Company has elected to continue with the carrying value of its intangible assets recognized as at 1st April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of intangible assets (See Note 4).

c) Impairment of non financial assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the Statement of Profit and Loss account.

d) Inventories

Inventories are carried at lower of cost and net realizable value. Cost of consumables are determined on first in first out basis.

Cost of inventories comprises all costs of purchase and, other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to their present location and condition.

Raw materials and other supplies held for the 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.



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2018

2 Basis of preparation of financial statement and significant accounting policies (Continued)

2.2 Significant accounting policies (continued)

e) Revenue recognition

Revenue is measured at fair value of consideration received or receivable net of returns, volume rebate excluding taxes or duties collected on behalf of the government.

i) Service Income :- 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.

ii) Interest Income :- Interest income from a financial assets is recognized when it is probable that the economic benefits will flow to the company and amount of income can be measured reliably. Interest Income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

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

f) Foreign currency transactions

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

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

g) 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

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contribution to a Government administered scheme and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Provident Fund and employee state insurance, which are a defined contribution plan, at the prescribed rates. The Company's contribution is recognised as an expense in the Statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans

Gratuity

The Company's gratuity benefit scheme is a 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 other comprehensive income.

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 using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of profit and loss.

h) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

i) Income taxes

Income tax expense comprises current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised only to the extent it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Minimum Alternate Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized, it is credited to the Statement of Profit & Loss and is considered as (MAT Credit Entitlement). Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2018

2 Basis of preparation of financial statement and significant accounting policies (Continued)

2.2 Significant accounting policies (continued)

j) Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders of the Company 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.

k) Provision, contingent liabilities and contingent assets

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 discounted to its present value if the effect of time value of money is considered to be material. These are reviewed at each year end date and adjusted to reflect the best current estimate. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

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.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

l) Financial instruments

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Financial asset

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition except if and in the period the company changes its business model for managing financial assets.

A 'financial assets' is measured at the amortized cost if both the following conditions are met

- The asset is

held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of profit and loss. The losses arising from impairment are recognised in the Statement of profit and loss.

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity investments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of profit and loss.

De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and financial assets measured at FVOCI. For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of profit and loss



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2018

2 Basis of preparation of financial statement and significant accounting policies (Continued)

2.2 Significant accounting policies (continued)

l) Financial instruments (continued)

Financial liabilities

Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

De-recognition

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

Offsetting

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

m) Standard issue but not effective

Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after April 1, 2018.

Ind AS 115 - Revenue from contract with customers

Ind AS 115 will supersede the existing revenue recognition standard 'Ind AS 18 - Revenue'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The amendment will come into force from 1 April 2018. The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation.

Other amendments

The Company does not expect the effect of other amendments notified Ministry of Corporate Affairs ("MCA"), on 28 March 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 in respect of Ind AS 12 - Income taxes, Ind AS 21 - The effect of changes in foreign exchange rates and Ind AS 40- Investment property, on the financial statements to be material based on preliminary evaluation.



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Indian Rupees)

3 Property, plant and equipment

Particulars	Gross Block		Depreciation / Amortisation		Net Block	
	As at 1 April 2017	Additions during the year	Deletion/ adjustment during the year	For the year ending 31 March 2018	As at 31 March 2018	As at 31 March 2017
Freehold land	2,437,840 (2,437,840)	-	-	-	2,437,840 (2,437,840)	2,437,840 (2,437,840)
Factory building	10,972,850 (10,972,850)	31,710	-	475,531 (475,368)	10,053,661 (10,497,482)	10,497,482 (10,972,850)
Plant and machinery	19,492,940 (18,320,154)	1,570,557 (1,172,786)	1,252,558	2,183,684 (1,604,574)	17,275,239 (17,888,366)	17,888,366 (18,320,154)
Furniture and fittings	2,112,953 (2,061,360)	487,101 (51,593)	-	266,415 (235,352)	2,108,287 (1,887,601)	1,887,601 (2,061,360)
Computers	700,621 (573,672)	171,514 (126,949)	339,372	227,993 (267,131)	377,011 (433,490)	433,490 (573,672)
Total	35,717,204 (34,365,876)	2,260,882 (1,351,328)	1,591,930 -	3,153,623 (2,572,425)	32,252,038 (33,144,779)	33,144,779 (34,365,876)

Notes:

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

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 31 March 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS 1 e 1 April 2016. Details of gross block and accumulated depreciation as per previous GAAP as at 1st April, 2016 are as given below:

Particulars (block of assets)	Gross block	Accumulated depreciation	Net block considered as deemed cost for Ind AS as on 01 April 2016
Freehold land	2,437,840	-	2,437,840
Factory building	15,010,117	4,037,267	10,972,850
Plant and machinery	25,818,607	7,498,453	18,320,154
Furniture and fittings	5,344,175	3,282,815	2,061,360
Computers	2,551,147	1,977,475	573,672
Vehicles	26,114	26,114	-
	51,188,000	16,822,124	34,365,876



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Indian Rupees)

4 Intangible assets

Particulars	Gross Block		Depreciation / Amortisation		Net Block	
	As at 1 April 2017	Additions during the year	Deletion/ adjustment during the year	For the year	Deletions during the year	As at 31 March 2017
Computer software	1,140,696 (1,140,696)	12,348	-	259,247 (667,573)	-	473,123 (1,140,696)
Total	1,140,696 (1,140,696)	12,348	-	259,247 (667,573)	-	473,123 (1,140,696)

Notes:

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

The Company has elected to measure all its Intangible Assets at the previous GAAP carrying amount i.e. 31 March 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e 1 April 2016. Details of gross block and accumulated depreciation as per previous GAAP as at 1st April, 2016 are as given below:

Particulars (block of assets)	Gross block	Accumulated depreciation	Net block considered as deemed cost for Ind AS as on 01 April 2016
Computer software	3,621,331	2,480,635	1,140,696



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Indian Rupees)

5 Other investments

Investments in equity instruments (Quoted)

Dena bank

17,300 (31 March 17: 17,300 and 01 April 16: 17300) Equity shares of 18.80 (31 March 17 Rs.38.40 , 01 April 2016 Rs.28.75 each)

325,240

664,320

497,375

Investments in equity instruments (Unquoted)

Saraswat Co-operative Bank Ltd

1,150 (31 March 17: 1,150 and 01 April 16: 1,150) Equity shares of 10 (31 March 17 Rs.10 , 01 April 2016 Rs. 10 each)

11,550

11,550

11,550

336,790

675,870

508,925

6 Loans

(Unsecured considered good)

To related parties

Security deposits (refer note 26.5)

4,258,339

3,906,733

3,584,158

To parties other than related parties

Security deposits

589,380

466,020

462,620

4,847,719

4,372,753

4,046,778

7 Deferred tax assets (net)

The following is the analysis of deferred tax assets/(liabilities) presented in

Deferred tax assets

35,661,734

42,805,864

30,405,080

Deferred tax Liability

(2,825,823)

(3,265,437)

(3,119,971)

Net deferred tax assets/(Liabilities)

32,835,911

39,540,427

27,285,109

Deferred tax assets recognised in financial statements



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Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

7 Deferred tax assets (net) (continued)

7 (a): Tax expense

(i) Amounts recognised in profit and loss

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax	-	-
Changes in estimates relating to prior years	271,064	(1,311,351)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	-	-
Deferred tax expense	-	-
Tax expense for the year	271,064	(1,311,351)

(ii) Amounts recognised in other comprehensive income

	For the year ended March 31, 2018	For the year ended March 31, 2017
<i>Items that will not be reclassified to profit or loss</i>	-	-
<i>Items that will be reclassified to profit or loss</i>	-	-

(iii) Reconciliation of effective tax rate

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit/(Loss) before tax	1,417,207	(39,368,925)
Company's domestic tax rate	25.75%	30.90%
Tax using the company's domestic tax rate	364,931	-
Tax effect of:		
Income not considered for tax purpose/ Exempt income	3,465	-
Set off against earlier year carried forward losses	(368,396)	-
Current tax	-	-
Deferred tax	-	-
Total tax	-	-



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

7 Deferred tax assets (net) (continued)

7 (b): Deferred tax

Movement in deferred tax balances for the year ended March 31, 2018

Particulars	Net balance March 31, 2017	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2018
Property, plant and equipment & Intangible assets	(3,265,437)	(439,614)		(2,825,823)
Employee Benefits	5,887,051	1,584,942		4,302,109
Provision for loss	31,772,427	5,684,897		26,087,530
Unabsorbed depreciation	5,146,386	(125,709)		5,272,095
Deferred tax asset/(liabilities)	39,540,427	6,704,516		32,835,911
Net deferred tax assets restricted to				

Movement in deferred tax balances for the year ended March 31, 2017

Particulars	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2017
Property, plant and equipment & Intangible assets	(3,119,971)	145,466	-	(3,265,437)
Employee Benefits	5,348,117	-538,934	-	5,887,051
Provision for loss	21,057,203	(10,715,224)	-	31,772,427
Unabsorbed depreciation	3,999,760	(1,146,626)	-	5,146,386
Deferred tax asset/(liabilities)	27,285,109	(12,255,318)	-	39,540,427
Net deferred tax assets restricted to	-	-	-	-

Tax losses carried forward

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future capital gains profit will be available against which the company can use the benefits therefrom.

Tax losses carried forward

Year ended	Amount	Expiry date
31-Mar-18	121,784,948	31-Mar-26
31-Mar-17	119,478,358	31-Mar-25
31-Mar-16	81,090,494	31-Mar-24



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

as at 31 March 2018

(Indian Rupees)

	31 March 2018	31 March 2017	1 April 2016
8 Other tax assets			
Advance tax (net of provision for taxation Rs 7,018,804)	2,376,009	6,054,935	10,287,950
(31 March 2017: 8,818,804, 1 April 2016 : Rs 17,218,804)			
	<u>2,376,009</u>	<u>6,054,935</u>	<u>10,287,950</u>
9 Other non current assets			
Prepaid lease	664,559	1,042,385	1,327,048
	<u>664,559</u>	<u>1,042,385</u>	<u>1,327,048</u>
10 Inventories			
(valued at the lower of cost and net realisable value)			
Consumables	-	-	920,953
	<u>-</u>	<u>-</u>	<u>920,953</u>
11 Trade receivables			
Unsecured and considered good (refer note 26.5)	17,067,265	-	859,319
	<u>17,067,265</u>	<u>-</u>	<u>859,319</u>
12 Cash and cash equivalents			
Cash in hand	7,759	32,720	6,966
Balances with banks	1,285,941	386,201	193,600
	<u>1,293,700</u>	<u>418,921</u>	<u>200,566</u>
13 Other current assets			
To parties other than related parties			
Prepaid lease	377,826	377,826	470,988
Prepaid expenses	576,610	187,360	259,303
Advances to others	15,518	53,524	68,047
Employee advances	49,382	108,782	113,482
Balance with government authorities	2,358,830	-	-
	<u>3,378,166</u>	<u>727,492</u>	<u>911,820</u>
14 Equity share capital			
Authorised			
10,000 (31 March 2017: 10,000 and 1 April 2016: 10,000) equity shares of Rs. 100 each	1,000,000	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and fully paid up			
5,020 (31 March 2017: 5,020 and 1 April 2016: 5,020) equity shares of Rs 100 each fully paid-up	502,000	502,000	502,000
	<u>502,000</u>	<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 2018		31 March 2017		1 April 2016	
Equity shares	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning and at the year end	5,020	502,000	5,020	502,000	5,020	502,000
At the end of the year	<u>5,020</u>	<u>502,000</u>	<u>5,020</u>	<u>502,000</u>	<u>5,020</u>	<u>502,000</u>

b 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 his share of 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.

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

	31 March 2018		31 March 2017		1 April 2016	
	% holding in class	No. of shares	% holding in class	No. of shares	% holding in class	No. of shares
Equity shares of Rs.100 each fully paid-up held by Tribhovandas Bhimji Zaveri Limited and nominee	100%	5020	100%	5020	100%	5020



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued) as at 31 March 2018

(Indian Rupees)

31 March 2018 31 March 2017 1 April 2016

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

	31 March 2018			31 March 2017		1 April 2016	
	No. of shares	Amount	% holding in class	No. of shares	% holding in class	No. of shares	
Equity shares of Rs 100 each fully paid-up held by Holding Company - Tribhovandas Bhimji Zaveri Limited and	5020	502,000	5020	502,000	5020	502,000	

15 Other equity

Securities premium account	19,731,361	19,731,361	19,731,361
Deficit in statement of profit and loss	(100,356,222)	(101,502,365)	(63,444,791)
Other comprehensive Income	3,461,473	339,467	-
	(77,163,388)	(81,431,537)	(43,713,430)

Notes:

Securities premium account

Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserves is restricted by the Companies Act, 2013.

Deficit in statement of profit and loss

Retained earnings comprise of the Company's undistributed profits/(losses) after taxes.

Other comprehensive income

Items of other comprehensive income consist of re-measurement of defined benefit plan.

Other comprehensive income accumulated in Other Equity, net of tax

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

	Remeasurements of defined benefit plans	Total
As at 1 April 2016	-	-
Remeasurement gain/(loss) on defined benefit plans	339,467	339,467
Income tax effect	-	-
As at 31 March 2017	339,467	339,467
Remeasurement gain/(loss) on defined benefit plans	3,122,006	3,122,006
Income tax effect	-	-
As at 31 March 2018	3,461,473	3,461,473

16 Non-current provisions

Provision for employee benefits

Provision for gratuity (refer note 26.3 (b))	8,551,338	11,628,941	9,280,847
Provision for compensated absences	-	-	901,665
	8,551,338	11,628,941	10,182,512

17 Trade payables

Due to

- Micro, Small and Medium Enterprises (refer note 26.2)
- due to other (refer note 26.5)

	51,268,725	31,341,988	14,033,661
	51,268,725	31,341,988	14,033,661

18 Current provisions

Provision for employee benefits

Provision for gratuity (refer note 26.3 (b))	785,415	378,839	672,353
Provision for compensated absences	2,374,514	2,101,202	2,647,417
	3,159,929	2,480,041	3,319,770

19 Other current liabilities

Accrual for expenses	66,197,679	52,770,027	26,890,079
Employee benefits payable	8,474,819	8,931,796	8,528,678
Creditors for capital expenditure	84,767	-	846,369
Statutory liabilities#	1,366,601	1,090,629	995,413
Bank overdraft	-	-	884,290
Advance received from customer (refer note 26.5)	-	19,596,373	32,100,589
	76,123,866	82,388,825	70,245,418

#Statutory liabilities includes TDS, ESIC, Goods and Service Tax, Provident fund and Profession tax.



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

	31 March 2018	31 March 2017
20 Revenue from operations		
Service income (refer note 26.5)		
- Labour charges	195,643,402	146,406,742
- Melting and refining	4,841,058	5,107,350
- Repairing charges	714,136	1,872,947
	<u>201,198,596</u>	<u>153,387,039</u>
21 Other income		
Interest income on bank deposits	56,148	34,735
Dividend income	3,465	1,733
Interest income on Income Tax refund	1,273,628	1,016,111
Interest income on Security deposit	351,606	322,574
	<u>1,684,847</u>	<u>1,375,153</u>
22 Employee benefits expenses		
Salaries, wages and bonus	45,406,569	48,183,470
Contributions to provident and other funds (refer note 26.3(a))	2,948,583	3,056,697
Gratuity expenses (refer note 26.3(b))	2,271,066	2,475,196
Compensated absences (refer note 26.3(c))	770,164	83,646
Staff welfare expenses	2,272,757	1,923,377
	<u>53,669,139</u>	<u>55,722,386</u>
23 Finance costs		
Interest expenses	-	12,714
	<u>-</u>	<u>12,714</u>
24 Depreciation and amortisation expenses		
Depreciation on property, plant and equipment (refer note 3)	3,153,623	2,572,425
Amortisation of intangible assets (refer note 4)	259,247	667,573
	<u>3,412,870</u>	<u>3,239,998</u>
25 Other expenses		
Stores and spares consumed	41,241,582	41,087,966
Job work charges	64,201,324	57,027,054
Power and fuel	8,120,280	6,192,056
Rent (refer note 26.4 & 26.5)	15,612,826	12,788,826
Rates and taxes	2,182,103	2,226,612
Repairs and maintenance:		
- Plant and machinery	990,492	1,236,943
- Others	1,649,071	3,911,434
Insurance	44,347	39,792
Travelling and conveyance	162,392	254,803
Payment to auditors:		
- Statutory audit	840,000	805,000
- Out of pocket expense	15,791	-
Legal and professional fees	3,898,088	4,179,492
Printing and stationery	419,284	374,819
Telephone and postage expenses	304,604	464,605
Security charges	2,514,940	3,118,091
Bank charges	4,492	17,078
Housekeeping Charges	896,126	-
Miscellaneous expenses	1,286,485	1,431,448
	<u>144,384,227</u>	<u>135,156,019</u>



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

26.1 Contingent liabilities and commitments

Contingent Liabilities

The Company does not have any pending litigations as on 31st March 2018 requiring disclosure of contingent liabilities. (31 March 2017 : Rs.Nil and 01 April 2016 is Rs. Nil)

Commitments

Contracts remaining to be executed on capital account and not provided for as at 31 March 2018 is Rs. Nil, 31 March 2017 : Rs.Nil and 01 April 2016 is Rs. Nil) (net of advances)

26.2 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-Mar-18	31-Mar-17	01-Apr-16
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	-	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

26.3 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.2,948,583 (31 March 2017: Rs. 3,056,697) which is shown under notes to financial statements 22 – 'Employee benefits expenses'.

b) Defined benefit plans

I Change in Benefit Obligation	Gratuity (unfunded)		
	31 March 2018	31 March 2017	1 April 2016
Liability at the beginning of the year	12,007,780	9,953,200	
Current Service Cost	1,468,314	1,689,847	
Interest cost	802,752	785,349	
Re-measurement (or Actuarial) (gain) / loss arising from:			
change in demographic assumptions	(1,189,771)	-	
experience variance (i.e. Actual experience vs assumptions)	(1,726,540)	-	
others	(544,775)	(172,522)	
Benefit paid	(1,481,007)	(248,094)	
Liability at the end of the year	9,336,753	12,007,780	
II Amount recognised in the Balance Sheet			
Liability at the end of the year	9,336,753	12,007,780	9,953,200
Fair value of plan assets at the end of the year	-	-	-
Amount recognised in the Balance Sheet	9,336,753	12,007,780	9,953,200
III Expenses Recognised in the Statement of Profit & Loss			
Current service cost	1,468,314	1,689,847	
Past service cost	-	-	
Loss/(Gain) on settlement	-	785,349	
Net interest Cost/ (Income) on net defined benefit liability/(Asset)	802,752	-	
Expenses Recognised in the Statement of Profit & Loss	2,271,066	2,475,196	



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

26.3 Employee benefits (continued)

b) Defined benefit plans (continued)

IV Other Comprehensive Income

Actuarial (gains)/losses

change in demographic assumptions	(1,189,771)	-
change in financial assumptions	(1,726,540)	-
experience variance (i.e. Actual experience vs assumptions)	(544,775)	-
others	-	(172,522)
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	(3,461,086)	(172,522)

V Balance sheet reconciliation

Opening net liability	12,007,780	9,953,200
Adjustment to opening balance	-	-
Expense recognized in the Statement of Profit and Loss	2,271,066	2,475,196
Expense recognized in the Statement of OCI	(3,461,086)	(172,522)
Contribution paid	(1,481,007)	(248,094)
Amount recognised in balance sheet	9,336,753	12,007,780

VI Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2018.

	As at 31 March 2018		As at 31 March 2017	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	10,268,614	8,530,678	7,667,091	12,010,589
Salary growth rate (- / + 1%)	8,539,981	10,238,416	10,939,120	8,269,943
Attrition Rate (- / + 1%)	9,928,574	8,946,004	13,449,293	11,112,654
Mortality Rate (- / + 1%)	9,341,954	9,331,578	13,213,865	10,648,424

VII Principal actuarial assumptions	31 March 2018	31 March 2017	01 April 2016
Discount rate per annum	7.65%	6.69%	7.99%
Salary escalation rate per annum	10.00%	10.00%	10.00%
Normal retirement age	60	60	60
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Attrition / Withdrawal rate (per annum)	Based on past service: 19%	Based on past service: 19%	Based on past service: 18%

VIII Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows)	10 years
Expected cash flows over the next (valued on undiscounted basis):	Indian Rupees
1 year	785,415
2 to 5 years	2,849,264
6 to 10 years	4,082,451
More than 10 years	14,716,258

c) Other long-term employee benefits

Compensated absences

The liability towards compensated absences (privilege leave) for the year ended 31 March 2018 has resulted in increase in expenses by Rs.7,70,164 (31 March 2017: Rs. 83,646).

26.4 Leases

Operating lease as a lessee

The Company has recognized the rent expenses in the books of accounts. Rental expenses under operating leases (including cancelable and non – cancelable) aggregating Rs. 15,612,826 (excluding GST) (31 March 2017: Rs.12,788,826) have been included under "Other expenses - Rent" under the notes to financial statement 25 in the statement of Profit and loss.

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2018 are as follows -

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Amount due within one year from the balance sheet date	14,760,000	10,800,000	10,800,000
Amount due for the period after one year and before five years	25,830,000	29,700,000	40,500,000
Amount due for the period after five years	-	-	-
Total	40,590,000	40,500,000	51,300,000

Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

26.5 Information on related party transactions as required by the Indian Accounting Standard (Ind AS) 24 for the year ended 31 March 2018

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related parties, related party relationships, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

I. Name of related parties

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

26.5 Information on related party transactions as required by the Indian Accounting Standard (IND AS) - 24 for the year ended 31 March 2018

Transactions during the year and balances as at year end with related parties:

Nature of transaction	Holding Company
Transaction during the period *	
Service income	201,198,597
	(153,387,039)
Rent paid	15,612,826
	(12,788,826)
Balance as at 31 March 2018*	
Security deposits given	4,258,339
	(3,906,733)
Trade receivable	17,067,266
	-
Trade payable	38,917,971
	(22,551,480)
Advance received from customer	-
	(19,596,373)
Balance as at 1 April 2016	
Security deposits given	3,584,158
Trade receivable	859,319
Trade payable	11,220,480
Advance received from customer	32,100,589

Notes:

1) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

2) *Amounts pertaining to year ended 31 March 2017 are in bracket.

26.6 Earning per share (EPS)

Particulars	31-Mar-18	31-Mar-17
Profit/(Loss) after taxation	1,146,143	(38,057,574)
Weighted average number of equity shares	5,020	5,020
Basic and diluted earning/(loss) per share (face value Rs 100 per share)	228.32	(7,581.19)

26.7 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 Ind AS 108 on "Operating segment" is not required to be disclosed.



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

26.8 Financial Instruments - Fair values and risk management

26.8.1 Financial Instruments - Fair values

Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

a) The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements)

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

		Carrying amount		Fair value			
31 March 2018	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investments	336,790	-	336,790	336,790	-	-	336,790
Loans	-	4,847,719	4,847,719				
Others							
Current financial assets							
Trade receivables		17,067,265	17,067,265				
Cash and cash equivalents		1,293,700	1,293,700				
Current financial liabilities							
Trade payables		51,268,725	51,268,725				

		Carrying amount		Fair value			
31 March 2017	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investments	675,870	-	675,870	675,870	-	-	675,870
Loans	-	4,372,753	4,372,753				
Current financial assets							
Cash and cash equivalents	-	418,921	418,921				
Current financial liabilities							
Trade payables	-	31,341,988	31,341,988				



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Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

26.8 Financial Instruments - Fair values and risk management (continued)

26.8.1 Financial Instruments - Fair values (continued)

01 April 2016	Carrying amount			Fair value			
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investments	508,925	-	508,925	508,925	-	-	508,925
Loans	-	4,046,778	4,046,778				
Current financial assets							
Trade receivables		859,319	859,319				
Cash and cash equivalents		200,566	200,566				
Current financial liabilities							
Trade payables		14,033,661	14,033,661				

b) Specific valuation techniques used to value financial instruments include:

The use of quoted market prices for investments in equity shares.

26.8.2 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

Note 26.8: Financial Instruments - Fair values and risk management (continued)

26.8.2: Financial risk management (continued)

A: Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's exposures to trade receivables (mainly institutional customers), deposits with landlords for store properties taken on leases and other receivables including balances with banks.

Trade receivables and other deposits

The company is involved in the business of manufacturing of goldsmiths, silversmiths, gem merchants, ornaments and other related activities. The Company is 100% Subsidiary of Tribhovandas Bhimji Zaveri Limited and the company dealing with only one customer ie holding company. The Company also given lease security deposits to its parent company.

Other financial assets

The Company held cash and cash equivalents of Rs. 12,93,700 as at March 31, 2018 (Rs. 4,18,921 as at March 31, 2017 and Rs. 2,00,566 as at April 1,2016) . The cash and cash equivalents are held with bank.



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

Note 26.8: Financial Instruments - Fair values and risk management (continued)

26.8.2: Financial risk management (continued)

B: Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31 March, 2018, 31 March, 2017 and 31 March, 2016. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments:

March 31, 2018	Carrying amount	Total	Less than 1 year	More than 1 year
Current, non derivative financial liabilities				
Trade payables	51,268,725	51,268,725	51,268,725	-
March 31, 2017				
Current, non derivative financial liabilities				
Trade payables	31,341,988	31,341,988	31,341,988	-
April 1, 2016				
Current, non derivative financial liabilities				
Trade payables	14,033,661	14,033,661	14,033,661	-



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

Note 26.8: Financial Instruments - Fair values and risk management (continued)

26.8.2: Financial risk management (continued)

C: Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i. Currency risk

Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

There are no exposure to currency risk as on 31 March 2018, 31 March 2017 and 1 April 2016.

ii. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

iii. Price risk

Exposure from investments in quoted equity instruments

The Company's exposure to price risk arises from investment in quoted equity held by the company and classified in the balance sheet as fair value through profit and loss.



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

26.9 First time adoption of Ind AS

These financial statements, for the year ended 31 March 2018, are the first financial statements prepared by the Company in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP' or 'Previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Ind AS balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

The Company has applied Ind AS 101 in preparing these first financial statements. The effect of transition to Ind AS on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the notes accompanying the tables.

Ind AS optional exemptions:

a. Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

Ind AS mandatory exceptions:

a. Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

b. Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2018

(Indian Rupees)

26.9 First time adoption of Ind AS (continued)

Reconciliation of Equity as at 1 April 2016

Particulars	Notes	Previous GAAP*	Adjustments	Amount under Ind AS
ASSETS				
1) Non-current assets				
a) Property, Plant and Equipment	3	34,365,876	-	34,365,876
b) Intangible assets	4	1,140,696	-	1,140,696
c) Financial Assets				
(i) Other Investments	5	517,575	-8,650	508,925
(ii) Loans	6	5,862,619	-1,815,842	4,046,778
d) Deferred tax assets (net)	7	-	-	-
e) Other tax assets	8	10,287,950	-	10,287,950
f) Other non current assets	9	-	1,327,048	1,327,048
Total non-current assets		52,174,716	-497,444	51,677,273
2) Current assets				
(a) Inventories	10	920,953	-	920,953
(b) Financial Assets				
(i) Trade receivables	11	859,319	-	859,319
(ii) Cash and cash equivalents	12	200,566	-	200,566
(c) Other current assets	13	440,832	470,988	911,820
Total current assets		2,421,670	470,988	2,892,658
Total assets		54,596,386	-26,455	54,569,931
EQUITY AND LIABILITIES				
1) Equity				
a) Equity Share capital	14	502,000	-	502,000
b) Other Equity	15	-43,686,975	-26,455	-43,713,430
Equity attributable to equity holders of the company		-43,184,975	-26,455	-43,211,430
2) Liabilities				
(i) Non-current liabilities				
a) Provisions	16	10,182,512	-	10,182,512
Total non-current liabilities		10,182,512	-	10,182,512
(ii) Current liabilities				
a) Financial Liabilities				
Trade payables	17	14,033,661	-	14,033,661
b) Provisions	18	3,319,770	-	3,319,770
c) Other current liabilities	19	70,245,418	-	70,245,418
Total current liabilities		87,598,849	-	87,598,849
Total equity and liabilities		54,596,386	-26,455	54,569,931

* The Previous GAAP figures have been reclassified/regrouped to conform to Ind AS presentation requirements



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2018

(Indian Rupees)

26.9 First time adoption of Ind AS (continued)

Reconciliation of Equity as at 31 March 2017

Particulars	Notes	Previous GAAP*	Adjustments	Amount under Ind AS
ASSETS				
1) Non-current assets				
a) Property, Plant and Equipment	3	33,144,779	-	33,144,779
b) Intangible assets	4	473,123	-	473,123
c) Financial Assets				
(i) Other Investments	5	517,575	158,295	675,870
(ii) Loans	6	5,866,019	-1,493,267	4,372,753
d) Deferred tax assets (net)	7			
e) Other tax assets	8	6,054,935	-	6,054,935
f) Other non current assets	9		1,042,385	1,042,385
Total Non-current assets		46,056,431	-292,587	45,763,845
2) Current assets				
(a) Inventories	10	-	-	-
(b) Financial Assets				
(i) Trade receivables	11	-	-	-
(ii) Cash and cash equivalents	12	418,921	-	418,921
(c) Other current assets	13	349,666	377,826	727,492
Total current assets		768,587	377,826	1,146,413
Total assets		46,825,018	85,239	46,910,258
EQUITY AND LIABILITIES				
1) Equity				
a) Equity Share capital	14	502,000	-	502,000
b) Other Equity	15	-81,516,777	85,239	-81,431,537
Equity attributable to equity holders of the company		-81,014,777	85,239	-80,929,537
2) Liabilities				
i) Non-current liabilities				
a) Provisions	16	11,628,941	-	11,628,941
Total non-current liabilities		11,628,941	-	11,628,941
ii) Current liabilities				
a) Financial Liabilities				
Trade payables	17	31,341,989	-	31,341,988
b) Provisions	18	2,480,041	-	2,480,041
c) Other current liabilities	19	82,388,825	-	82,388,825
Total current liabilities		116,210,855	-	116,210,854
Total equity and liabilities		46,825,019	85,239	46,910,258

* The Previous GAAP figures have been reclassified/regrouped to conform to Ind AS presentation requirements



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Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2018

(Indian Rupees)

26.9 First time adoption of Ind AS (continued)

Reconciliation of total comprehensive income for the year ended 31 March 2017

	Notes	Previous GAAP ^a	Adjustments	Amount under Ind AS
INCOME				
Revenue from operations				
Service Income	20	153,387,039	-	153,387,039
Other income	21	1,052,579	322,574	1,375,153
Total Income		154,439,618	322,574	154,762,192
EXPENSES				
Employee benefits expense	22	55,549,864	-172,522	55,722,386
Finance costs	23	12,714	-	12,714
Depreciation and amortisation expenses	24	3,239,998	-	3,239,998
Other expenses	25	134,778,193	-377,826	135,156,019
Total expenses		193,580,769	(550,348)	194,131,117
Profit/(Loss) before tax		(39,141,151)	227,774	(39,368,925)
Tax expense				
- Provision pertaining to earlier years		(1,311,351)	-	(1,311,351)
Total tax expense		(1,311,351)	-	(1,311,351)
Profit/(Loss) for the year		(37,829,800)	227,774	(38,057,574)
Other Comprehensive Income				
Items that will not be reclassified subsequently to profit or loss				
a) Re-measurement of defined plan		-	339,467	339,467
Other Comprehensive Income		-	-	339,467
Total Comprehensive Income for the year			-	(37,718,107)

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note



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Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

26.9 First time adoption of Ind AS (continued)

Adjustments to Statement of Cash Flows

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

Notes to the reconciliations

a. Fair valuation of Investment

Under Previous GAAP, investments in equity instruments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as Fair Value Through Other Comprehensive Income ('FVOCI') on the date of transition to Ind AS and fair value changes after the date of transition have been recognised in the Other Comprehensive Income.

b. Financial assets and liabilities

Under Previous GAAP, the financial assets and financial liabilities were carried at the contractual amount receivable or payable.

Under Ind AS, certain financial assets and financial liabilities are initially recognised at fair value and subsequently measured at amortised cost which involves the application of effective interest method. Hence, security deposits have been recorded initially at fair value using an appropriate discount rate. The difference between the present value and the amount paid is recognised as a prepaid rent. The unwinding of the security deposit as per the effective interest rate method will be recognised as a finance income over the period of the lease.

c. Remeasurements of post-employment benefit obligations

Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit and loss.

d. Deferred tax

Under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/ liability on timing differences between taxable income and accounting income. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base. The adjustments in equity and net profit, as discussed above, resulted in additional temporary differences on which deferred taxes are calculated.

e. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in the statement of profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under Previous GAAP.



Tribhovandas Bhimji Zaveri (Bombay) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Indian Rupees)

26 Notes to Accounts (Continued)

26.10 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 Notes	Amount (₹ in lakhs)
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

As per our attached 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

02 May 2018

For and behalf of Board of Directors of

Tribhovandas Bhimji Zaveri (Bombay) limited

CIN : U36911MH1986PLC039643

Shrikant Zaveri

Chairman and Managing Director

DIN:00263725

Mumbai

02 May 2018

Binaisha Zaveri

Whole Time Director

DIN:00263657