

GENOA JEWELERS LIMITED**Consolidated Balance Sheet as at 31st March, 2015**

	Note	As at 31st March, 2015 \$	As at 31st March, 2014 \$
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	1	388,76,633	343,76,633
Reserves and Surplus	2	(308,82,202)	(406,25,117)
		79,94,431	(62,48,484)
Share application money pending allotment		-	-
Non Current Liabilities			
Long-Term Borrowings	3	80,95,000	145,45,000
Deferred tax liabilities (Net)		-	-
Other Long term liabilities		-	-
Long-Term Provisions		-	-
		80,95,000	145,45,000
Current Liabilities			
Short-Term Borrowings	4	26,70,838	41,29,213
Trade Payables	5	159,98,107	173,52,441
Other Current Liabilities	6	47,27,704	51,69,748
Short-Term Provisions	7	15,02,740	9,59,739
		248,99,389	276,11,141
Total		409,88,820	359,07,657
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets		35,42,734	31,21,649
Intangible Assets		-	-
Non-Current Investments	8	4,91,454	4,91,454
Deferred Tax Assets		-	-
Long-Term Loans and Advances	9	80,00,730	65,14,685
Other non-current assets		-	-
		120,34,918	101,27,788
Current Assets			
Current Investments		-	-
Inventories	10	144,89,723	112,62,640
Trade Receivables	11	23,39,166	32,44,284
Cash and Bank Balance	12	82,36,912	61,79,305
Short-Term Loans and Advances	13	38,88,101	50,93,640
Other Current Assets	14	-	-
		289,53,902	257,79,869
Total		409,88,820	359,07,657
Notes on Financial Statements	1 to 23		

As per our attached report of even date

For **B. KHOSLA & CO.**
Chartered Accountants
F.R. No.: 000205C

For and on behalf of the Board

SANDEEP MUNDRA
Partner
M.No.: 075482

Director

Jaipur, 19th May, 2015

Place: Jaipur
Date: 19th May, 2015

GENOA JEWELERS LIMITED

Consolidated Statement of Profit and Loss for the period from 31st March, 2015

	<u>Note</u>	<u>Period ended 31st Mar 2015</u>	<u>Year ended 31st Mar 2014</u>
		\$	\$
REVENUE			
I. Revenue From Operations	15	1989,92,410	1906,86,023
II. Other Income	16	12,92,429	19,26,489
III. Total Revenue (I + II)		2002,84,839	1926,12,512
IV. EXPENSES			
Cost of Materials Consumed		-	-
Purchases of Stock-In-Trade	17	843,03,837	725,66,644
Decrease/(Increase) of Stock-In-Trade	18	(32,27,084)	45,73,982
Employees Benefit Expenses	19	270,82,675	271,51,583
Financial Costs	20	5,54,375	11,01,409
Depreciation and Amortization Expense	21	9,40,902	8,04,192
Other Expenses	22	791,09,991	718,42,748
Total expenses		1887,64,696	1780,40,558
V. Profit before exceptional and extraordinary items and tax (III-IV)		115,20,143	145,71,954
VI. Exceptional Items	23	1,50,388	16,42,838
VII. Profit before extraordinary items and tax (V - VI)		113,69,755	129,29,116
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		113,69,755	129,29,116
X Tax Expense:		-	-
Add /Less: Provision For Taxation			
(1) Current Tax		21,70,212	2,83,220
(2) Deferred Tax Charges/(Credits)		-	-
Profit for the Period		91,99,543	126,45,896

Notes on Financial Statements

1 to 23

As per our attached report of even date

For **B. KHOSLA & CO.**
Chartered Accountants
F.R. No.: 000205C

For and on behalf of the Board

SANDEEP MUNDRA
Partner
M.No.: 075482

Director

Jaipur, 19th May, 2015

Place: Jaipur

Date: 19th May, 2015

GENOA JEWELERS LIMITED

B. Notes accompanying Consolidated financial statement for the year ended 31st March 2015

	As at 31st March, 2015		As at 31st March, 2014	
SHAREHOLDER'S FUND				
1 SHARE CAPITAL				
a The details of Authorised, Issued, Subscribed and fully paid up, and subscribed but not fully paid up capital are as under :-				
Share Capital	Number	Amount	Number	Amount
Authorised		\$		\$
50,000,000 Shares of US \$1 each	500,00,000	500,00,000	500,00,000	500,00,000
Issued, Subscribed and Paid up				
Shares of US \$1 each	388,76,633	<u>388,76,633</u>	343,76,633	<u>343,76,633</u>
		<u>388,76,633</u>		<u>343,76,633</u>
2 RESERVE & SURPLUS				
a Foreign Currency Translation Reserve				
Opening Balance	24,91,362		32,76,063	
Add/ (Less): Movement during the year	<u>5,43,372</u>	<u>30,34,734</u>	<u>(7,84,701)</u>	<u>24,91,362</u>
b Surplus/ (Deficit)				
Opening balance	(431,16,479)		(557,62,352)	
Add: Net Profit For the current year	<u>91,99,543</u>		<u>126,45,896</u>	
Surplus/ (Deficit)		<u>(339,16,936)</u>		<u>(431,16,479)</u>
		<u>(308,82,202)</u>		<u>(406,25,117)</u>
NON CURRENT LIABILITIES				
3 LONG TERM BORROWING				
<i>Unsecured Loans from Related Parties:</i>				
From Holding Company (Vaibhav Global Limited)		80,95,000		145,45,000
		<u>80,95,000</u>		<u>145,45,000</u>
Company has taken loan from holding company for which no specific terms & conditions for repayment of principal has been defined. In the opinion of the management, this loan from holding company is in the nature of long term loan. The company has during the year paid interest @2.3995% p.a.				
CURRENT LIABILITIES				
4 SHORT TERM BORROWINGS				
a. Secured Loan Repayable on demand				
From Bank *		26,70,838		39,79,213
	A	<u>26,70,838</u>		<u>39,79,213</u>
b. Unsecured Loan Repayable on demand from Affiliates				
STS Gems Thai Ltd.#		-		1,50,000
	B	<u>-</u>		<u>1,50,000</u>
	(A+B)	<u>26,70,838</u>		<u>41,29,213</u>
* Loan against bank has a first ranking charge over the inventory of raw materials, finished goods and receivables and a second ranking charge over all its other assets. Bank borrowings are secured by first charged on EPG Licence of SKY and corporate guarantee of the immediate & ultimate parent company.				
# Company has taken loan from affiliates company for which no specific terms & conditions for repayment of principal has been defined. In the opinion of the management, this loan is in the nature of short term borrowings. Interest payable @5.00% p.a.				
5 TRADE PAYABLES				
To Others		53,37,327		42,72,381
To Affiliates/ Other Related Parties		<u>106,60,780</u>		<u>130,80,060</u>
		<u>159,98,107</u>		<u>173,52,441</u>
6 OTHER CURRENT LIABILITIES				
Other Liabilities		<u>47,27,704</u>		<u>51,69,748</u>
		<u>47,27,704</u>		<u>51,69,748</u>

B. Notes accompanying Consolidated financial statement for the year ended 31st March 2015

	As at		As at	
	31st March, 2015		31st March, 2014	
7 SHORT TERM PROVISION				
Provision For Taxation		5,26,730		3,06,256
Others Provisions- for warranties & return		9,76,010		6,53,483
		<u>15,02,740</u>		<u>9,59,739</u>
NON -CURRENT ASSETS				
8 NON CURRENT INVESTMENT				
<i>(Long Term - at Cost less provision for other then temporary diminuation)</i>				
Trade Investment				
(ii) Quoted Investment :				
88,23,530 (Nil) shares of US \$ each fully paid up of Richland Resources Limited		4,91,454		4,91,454
		<u>4,91,454</u>		<u>4,91,454</u>
-Aggregate amount of quoted investment		4,91,454.00		4,91,454
-Market value of Quoted Investment		3,27,441.19		3,97,059
9 LONG TERM LOANS AND ADVANCES				
<i>(Unsecured and considered good unless otherwise stated)</i>				
Capital Advance		41,58,261		26,24,690
Security Deposits		9,00,658		10,90,296
<i>Loans & Advances to related parties</i>				
Considered good	29,41,811		27,99,699	
Considered doubtful	-		-	
	<u>29,41,811</u>		<u>27,99,699</u>	
Less: Provision for Doubtful Debts	-	29,41,811	-	27,99,699
		<u>80,00,730</u>		<u>65,14,685</u>
10 INVENTORIES				
<i>(As Taken, Valued And Certified By The Management)</i>				
Finished Stock		144,89,723		112,62,640
		<u>144,89,723</u>		<u>112,62,640</u>
11 TRADE RECEIVABLES				
<i>(Unsecured and considered good unless otherwise stated)</i>				
Outstanding For More Than Six Months from the date they are due for payment		-		4,19,853
Others				
From Affiliates / Group Companies	8,97,777		3,67,304	
From Others Receivable	14,41,389	23,39,166	24,57,127	28,24,431
		<u>23,39,166</u>		<u>32,44,284</u>
12 CASH AND BANK BALANCE				
Balance with Banks				
- in current account	80,64,642		46,70,858	
- in Fixed Deposits (Pledged)	1,48,825	82,13,467	14,97,668	61,68,526
Cash on hand		23,445		10,779
		<u>82,36,912</u>		<u>61,79,305</u>
13 SHORT TERM LOANS AND ADVANCES				
<i>(Unsecured and considered good unless otherwise stated)</i>				
Advance to staff		17,656		42,194
Advance to Supplier		3,77,999		4,38,043
Prepaid Expenses		32,65,222		34,65,684
Other advances recoverable		2,27,225		97,719
Loan and Advances to third Parties		-		10,50,000
		<u>38,88,101</u>		<u>50,93,640</u>
14 OTHER CURRENT ASSETS				
Interest Receivable		-		-
		<u>-</u>		<u>-</u>

B. Notes accompanying Consolidated financial statement for the year ended 31st March 2015

	As at 31st March, 2015	As at 31st March, 2014
15 REVENUE FROM OPERATIONS		
Sale of Products:		
Finished Goods Sales	1989,83,185	1905,39,237
Inter Company Sales	9,225	1,46,786
	<u>1989,92,410</u>	<u>1906,86,023</u>
16 OTHER INCOME		
Interest	6,02,437	4,10,310
Exchange Gain	-	2,69,436
Dividend	-	-
Miscellaneous Income	6,89,992	12,46,743
	<u>12,92,429</u>	<u>19,26,489</u>
17 PURCHASE		
Finished Goods Purchased	843,03,837	725,66,644
	<u>843,03,837</u>	<u>725,66,644</u>
18 CHANGES IN STOCK-IN-TRADE		
Decrease/(Increase) of Stock-in-Trade consists of		
Finished Goods:		
<i>Opening Stocks</i>		
Finished Goods	112,62,640	158,36,622
	<u>112,62,640</u>	<u>158,36,622</u>
<i>Less: Closing Stocks</i>		
Finished Goods	144,89,724	112,62,640
	<u>144,89,724</u>	<u>112,62,640</u>
	(32,27,084)	45,73,982
	<u>(32,27,084)</u>	<u>45,73,982</u>
19 EMPLOYEES BENEFIT EXPENSE		
Salaries, Wages, Bonus etc.	231,37,462	229,06,018
Contributions to Employees Fund	33,75,768	34,27,696
Staff Welfare Expenses	2,44,891	1,88,270
Recruitment and Training	3,24,554	6,29,599
	<u>270,82,675</u>	<u>271,51,583</u>
20 FINANCIAL COST		
Interest Expenses	4,55,968	9,68,162
Bank Commission	98,407	1,33,247
	<u>5,54,375</u>	<u>11,01,409</u>
21 DEPRECIATION & AMORTRATION		
Depreciation	9,40,902	8,04,192
	<u>9,40,902</u>	<u>8,04,192</u>

B. Notes accompanying Consolidated financial statement for the year ended 31st March 2015

	As at 31st March, 2015	As at 31st March, 2014
22 OTHER EXPENSES		
A. Direct Expenses		
Freight, taxes and duties	44,62,798	37,02,231
Other Manufacturing / Direct Expenses	12,51,186	12,18,739
	<u>57,13,985</u>	<u>49,20,970</u>
B. Administration & Selling Expenses		
Rent, Rates and Taxes	15,48,699	16,23,196
Insurance	2,60,561	3,20,836
Travelling and Conveyance	4,55,129	5,66,482
Legal and Professional	12,44,274	11,17,600
Postage and Telephone	16,91,755	13,29,830
Printing and Stationery	1,62,949	3,97,328
Repair & Maintenance	1,88,241	2,30,641
Advertisement and Business Promotion	36,73,649	35,21,693
Discount, Brokerage and Commission	21,647	92,910
Office Expenses (Misc. Expenses)	27,93,341	21,85,972
Donation	-	-
Audit Fees	1,22,510	1,13,561
Exchange Fluctuation (Net)	1,45,461	-
Loss on Sale of Investments	-	72,861
Exchange Fluctuation (Net)	-	-
Bad Debts	37,996	-
TV Channel Expenses	-	-
Content & Broadcasting	395,31,692	356,83,000
Call handling & Collection Charges	78,96,300	55,74,585
Packing & Distribution Charges	124,35,227	129,35,497
Information Technology Expenses	11,86,575	11,55,786
	<u>733,96,006</u>	<u>669,21,778</u>
Total Other Expenses	<u>791,09,991</u>	<u>718,42,748</u>

23 EXCEPTIONAL ITEMS

	-	(31,68,337)
Reversal of Bad Debts provision on consolidation against Loan to Jewel Gems Inc, consequent to becoming subsidiary (Net)		
Goodwill on consolidation on acquisition of Jewel Gems Inc written off	-	48,11,175
Loans to subsidiary written off	1,50,388	-
	<u>1,50,388</u>	<u>16,42,838</u>

24.1 Lease Commitments:

Some of the subsidiaries have lease agreements towards their retail stores, office and other premises. These non-

Year	2014-15	2013-14
Not later than one year	22,91,217	4,33,945
Later than one year & not later than five years	100,85,363	39,56,957
Later than five years	2,20,708	115,66,721

24.2 Contingent Liabilities:

Particulars	31-Mar-15 (\$)	31-Mar-14 (\$)
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	14,53,732.00	-
Contingent Liabilities:		
Guarantees given to bank & other by the Company	47,83,965	39,92,880

B. Notes accompanying Consolidated financial statement for the year ended 31st March 2015

	As at 31st March, 2015	As at 31st March, 2014
24.3	During the year, one of the subsidiary The Jewelry Channel Inc. USA has recognized deferred tax assets on carried forward losses and AMT amounting to \$ 249,277 in its audited financial statement. Accounting Standard -22 "Accounting for Taxes on Income" issued by ICAI requires that deferred tax assets should be recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. As the auditor of the subsidiary has not mentioned that there is virtual certainty supported by convincing evidence, the management has decided not to recognize these deferred tax assets in the consolidated financial statements.	

24.4 In the opinion of the management, there are no material transfers of goods within the Group and therefore no adjustment for the elimination of unrealized profit in the value of inventory lying in stock is required.

24.5 The group predominantly has only one reportable segment, i.e. retail of fashionable and lifestyle products. Therefore, no disclosure is required under Accounting Standard 17 "Segment Reporting" .

24.6 Related Party Disclosures:

List of Related Parties (with whom transactions carried out)

Name	Relationship
Vaibhav Global Limited	Holding Company
STS Gems Limited, Hongkong	Associate
STS Gem Thai Limited	Associate
STS Jewels Inc	Associate
STS Gems Japan Limited	Associate
PT STS Bali	Associate

Related Party Transaction/ Balances	31 March 2015	31 March 2014
Balances as at year end		
Trade Receivables		
STS Jewels Inc. USA	12,37,624	7,88,451
STS Gems Thai Limited	51,083	-
Trade payables		
Vaibhav Global Ltd	59,48,165	70,20,311
STS Jewels Inc. USA	2,56,632	4,86,107
STS Gems Limited, Hongkong	40,09,770	47,67,208
STS Gems Thai Limited	-	7,77,766
PT STS Bali	62,141	-
Loans and Advances Given		
STS Jewels Inc. USA	-	-
STS Gems Limited, Hongkong	-	-
STS Gems Japan	-	-
Borrowings		
Vaibhav Global Ltd	-	-
STS Gems Thai Limited	-	-
Guarantees		
Vaibhav Global Ltd	-	-

B. Notes accompanying Consolidated financial statement for the year ended 31st March 2015

	As at 31st March, 2015	As at 31st March, 2014
Transaction during the year		
Interest paid		
Vaibhav Global Limited	3,00,208	7,12,900
STS Gem Thai Limited	7,500	-
Issue of Shares (by conversion of loan)		
Vaibhav Global Limited	45,00,000	-
Purchase of Shares/ Assignment of Loan		
Jewel Gems USA Inc.	-	24,30,000
Loan Written off		
STS Gems Japan Limited	1,50,388	
Sales		
Vaibhav Global Ltd	-	11,669
STS Jewels Inc. USA	20,647	-
STS Gems Limited, Hongkong	173	1,17,830
Purchases		
Vaibhav Global Ltd	439,63,859	373,32,907
STS Jewels Inc. USA	17,29,711	10,66,902
STS Gems Limited, Hongkong	229,17,645	216,83,684
STS Bali	62,141	-
STS Gems Thai Limited	53,08,057	35,01,291

24.6 The previous year figures have been regrouped, rearranged, restated & reclassified wherever necessary.

For and on behalf of the Board

Director

Place: Jaipur

Date: 19th May, 2015