

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
M/S BIRLA GOLD AND PRECIOUS METALS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Birla Gold and Precious Metals Limited ("the company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the statement of affairs of the company as at 31<sup>st</sup> March 2017, and its profit and its cash flow for the year ended on that date.

## **Emphasis of Matters**

The reports should be read together with the Notes to the financial statements and attention to following matters be given:

a) Notes to the financial statements which describe the Policy of Revenue Recognition under Significant Accounting Policies adopted by the company with regards to recognition of its revenue from the Gold purchase plan named "Cherish Gold Plan-(CGP).

Our opinion is not modified in respect of these matters.

## **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 sub section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) 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 appears from our examination of those books.
  - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
    - ii. The Company does not have any long-term contracts including derivatives contracts for which any provision is required;
    - iii. The Company is not required to transfer amounts to the Investor Education and Protection Fund.

- iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 3.34 to the financial statements.

**FOR DEEPAK PANERI**  
**Chartered Accountants**

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**CA Deepak Paneri**  
**M. No – 421387**

Place: Mumbai  
Date: 02.06.2017

## **Annexure B to the Auditors' Report:-**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Birla Gold and Precious Metals Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A companies' internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

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

**FOR DEEPAK PANERI**  
**Chartered Accountants**

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**CA Deepak Paneri**  
**M. No – 421387**

Place: Mumbai  
Date: 02.06.2017

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has regular conduct of physical verification of its fixed assets at reasonable intervals; no material discrepancies were noticed on such verification.
- (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) As explained to us, physical verification of inventories has been conducted at reasonable intervals by the management; in our opinion the frequency of such verification is reasonable.
- (iii) The Company has granted any loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act')

<b>S/no.</b>	<b>Name of Company</b>	<b>Opening Balance</b>	<b>Loan given</b>	<b>Repay</b>	<b>Closing Balance</b>
1.	Birla Jewels Limited	9.55	74.43	64.88	-
2.	KSS Limited	161.10	117.76	275.81	319.14
3.	K Sera Sera Digital Cinema Limited	-	93.00	93.00	-

- (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
- (b) In the case of the loans granted to the bodies corporate listed in the register maintained under Section 189 of the Act have been regular in the payment of the principle and interest as stipulated.
- (c) There are no overdue amounts in respect of the loan granted to body corporate listed in the register maintained under Section 189 of the Act.

- (iv) The Company in respect of loans, investments, guarantees and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits from the public.
- (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.
- (vii) (a) According to the information and explanation given to us and records examined by us, the company was not regular in depositing undisputed statutory dues including sales-tax, service tax, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us, there were following undisputed amounts payable in respect of Income Tax, Excise Duty, cess and any other statutory dues outstanding as on 31st March, 2017 for a period more than six months from the date they became payable:
- |                              |                 |
|------------------------------|-----------------|
| 1. TDS deducted but not paid | : 3,20,151      |
| 2. VAT Payable               | : 2,11,925      |
| 3. Professional Tax Payable  | : <u>90,250</u> |
|                              | 6,22,326        |
- (b) According to the information and explanations given to us, there are no material dues of any in respect of income tax or sales tax or duty of customs or duty of excise or value added tax that have not been deposited with the appropriate authorities on account of dispute.
- (viii) According to the records of the company examined by us, and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to a bank as at the balance sheet date;
- (ix) According to the information and explanations given to us and based on our examination of our records of the Company term loans were applied for the purposes for which those were raised.
- (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 course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of our records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (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 Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (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.
- (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 person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**FOR DEEPAK PANERI  
Chartered Accountants**

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**CA Deepak Paneri  
M. No – 421387**

Place: Mumbai  
Date: 02.06.2017



**Birla Gold and Precious Metals Limited**  
( Formerly Known as Alta Software Private Limited)

**Balance Sheet As At 31st March, 2017**

Amt. in Rs.

Particulars	Note No	31-Mar-17	31-Mar-16
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3.1	1,00,00,000	1,00,00,000
(b) Reserves and Surplus	3.2	(47,48,302)	(50,66,602)
<b>(2) Non Current Liabilities</b>			
(a) Long-Term Provisions	3.3	2,24,579	-
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	3.4	4,02,59,304	1,70,64,808
(b) Trade Payables	3.5	75,43,099	57,78,540
(c) Other Current Liabilities	3.6	9,96,246	10,92,234
(d) Short-Term Provisions	3.7	13,54,247	28,396
<b>Total Equity &amp; Liabilities</b>		<b>5,56,29,174</b>	<b>2,88,97,376</b>
<b>II.ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	3.8		
<b>Gross Block</b>		90,60,093	24,80,424
Depreciation		16,50,712	5,40,120
<b>Net Block</b>		74,09,381	19,40,304
(ii) Capital Work in Progress		1,46,95,169	-
(b) Non - Current Investments	3.9	-	-
(c) Deferred Tax Asset		19,28,936	18,60,989
(d) Long Term Loans and Advances	3.10	24,17,250	4,35,000
<b>(2) Current Assets</b>			
(a) Cash and cash equivalents	3.11	6,45,355	4,98,742
(b) Inventories		36,50,538	-
(c) Trade Receivables	3.12	2,45,69,135	2,15,92,153
(d) Short-term loans and advances	3.13	3,13,410	24,06,988
(e) Other Current Assets	3.14	-	1,63,200
<b>Total Assets</b>		<b>5,56,29,174</b>	<b>2,88,97,376</b>

The accompanying notes are an integral part of the financial statements  
This is the Balance Sheet referred to in our Report of even date.

**For Deepak Paneri**  
**Chartered Accountants**

**For Birla Gold and Precious Metals Limited**

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**CA Deepak Paneri**  
**Membership No. : 421387**

**ZUBIN PARVEZ GARDA**  
**Director**  
**DIN: 07753758**

**NIKITA RATTANSHI**  
**Director**  
**DIN: 06628793**

Place: Mumbai  
Date: 02.06.2017

**Birla Gold and Precious Metals Limited**

( Formerly Known as Alta Software Private Limited)

**Profit & Loss Statement for the year ended on 31st March, 2017****(Amount in Rupees)**

Particulars	Note No	2016-17	2015-16
Revenue from operations	3.15	3,15,43,865	10,45,73,153
Other Income	3.16	52,59,195	11,89,792
<b>Total Revenue</b>		<b>3,68,03,060</b>	<b>10,57,62,944</b>
<b>Expenses:</b>			
Cost of Operations	3.17	2,90,17,611	9,62,02,151
Changes in Inventories	3.18	(36,50,538)	-
Direct Expenses	3.19	1,38,612	3,59,868
Financial Cost	3.20	51,950	74,822
Employee Cost	3.21	61,29,228	45,28,295
Depreciation & Amortised Cost	3.22	12,83,292	5,29,706
Other Administrative Expenses	3.23	36,10,947	33,78,963
<b>Total Expenses</b>		<b>3,65,81,103</b>	<b>10,50,73,805</b>
Profit before tax		<b>2,21,957</b>	<b>6,89,139</b>
<b>Tax expense:</b>			
(1) Current tax		-	28,396
(2) Deferred tax		(67,947)	18,47,802
(3) MAT Credit		(28,396)	-
Profit/(Loss) for the period		<b>3,18,300</b>	<b>25,08,545</b>
Earning per equity share:			
(1) Basic		0.32	2.51
(2) Diluted		0.32	2.51

The accompanying notes are an integral part of the financial statements

This is the Profit &amp; Loss A/c referred to in our Report of even date.

**For Deepak Paneri**  
**Chartered Accountants****For Birla Gold and Precious Metals Limited**

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**CA Deepak Paneri**  
**Membership No. : 421387****ZUBIN PARVEZ GARDA**  
**Director**  
**DIN: 07753758****NIKITA RATTANSHI**  
**Director**  
**DIN: 06628793**Place: Mumbai  
Date: 02.06.2017

**Birla Gold and Precious Metals Limited**  
( Formerly Known as Alta Software Private Limited)  
**Cash Flow Statement for the year ended 31st March, 2017**

Sr. No	Particulars	2016-17	2015-16
<b>A.</b>			
	<b>Net Profit Before Tax</b>	<b>2,21,957</b>	<b>6,89,139</b>
	Adjustments For:		
	Depreciation	11,10,592	4,88,906
	Preliminary Expenses W/off	1,72,700	40,800
	<b>Operating Cash Flow Before Changes In Working Capital</b>	<b>15,05,249</b>	<b>12,18,845</b>
	Adjustments For:		
	(Increase)/Decrease In Inventories	(36,50,538)	-
	(Increase)/Decrease In Debtors	(29,76,982)	(2,15,92,153)
	(Increase)/Decrease In Loans And Advances	21,21,974	(21,54,786)
	(Increase)/Decrease In Other Current Assets	-	-
	Increase/(Decrease) In Current Liabilities And Provisions	2,64,13,498	1,43,15,908
	<b>Net Changes In Working Capital</b>	<b>2,34,13,201</b>	<b>(82,12,186)</b>
	Miscellaneous Expenditure Incurred	(9,500)	(2,04,000)
	Extraordinary Items	-	-
	<b>Cash Generated From/(Used In) Operations</b>	<b>2,34,03,701</b>	<b>(84,16,186)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase Of Fixed Assets	(2,12,74,838)	(14,10,325)
	Sale of Investments	-	99,000
	Purchase of Investments	-	-
	Loans and advances	(19,82,250)	-
	<b>Cash Generated /(Used In) From Investing Activities</b>	<b>(2,32,57,088)</b>	<b>(13,11,325)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Interest Paid		
	Share Application Money Pending On Allotment		
	Proceeds From Issue Of Equity Share Capital	-	95,00,000
	Proceeds From Borrowings	-	-
	Repayment Of Borrowings	-	-
	<b>Cash Generated /(Used In) From Financing Activities</b>	<b>-</b>	<b>95,00,000</b>
	<b>Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>1,46,613</b>	<b>(2,27,511)</b>
	Cash And Cash Equivalents At The Beginning Of The Year	4,98,742	7,26,253
	Cash And Cash Equivalents At The End Of The Year	6,45,355	4,98,742
<b>Note:</b>			
<b>1</b>	<b>Cash and cash equivalents at the year end comprise:</b>		
	Cash On Hand	3,16,010	2,25,333
	Balance With Scheduled Banks In		
	- Current Accounts	3,29,345	2,73,409
	- Deposit Accounts	-	-
		<b>6,45,355</b>	<b>4,98,742</b>

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The Cash Flow Statement Has Been Prepared Under Indirect Method  
As Set Out In Accounting Standard 3, 'Cash Flow Statement' Issued  
By The Institute Of Chartered Accountants Of India

As per our report of even date attached

**For Deepak Paneri**  
**Chartered Accountants**

**For Birla Gold and Precious Metals Limited**

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**CA Deepak Paneri**  
**Membership No. : 421387**

**ZUBIN PARVEZ GARDA**  
**Director**  
**DIN: 07753758**

**NIKITA RATTANSHI**  
**Director**  
**DIN: 06628793**

Place: Mumbai  
Date: 02.06.2017

**Birla Gold and Precious Metals Limited**  
( Formerly Known as Alta Software Private Limited)

**Notes an integral part of the financial statements**

**Note: 3.1 Share Capital**

Particulars	31-Mar-17	31-Mar-16
<b><u>AUTHORIZED CAPITAL</u></b>		
10,00,000 Equity Share of RS 10 each (P.Y. 10,00,000 Equity Shares of Rs. 10/- each).	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000
<b><u>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</u></b>		
To the Subscribers of the Memorandum		
10,00,000 Equity Share of RS 10 each (P.Y. 10,00,000 Equity Shares of Rs. 10/- each).	1,00,00,000	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>	<b>1,00,00,000</b>

a) A reconciliation of the number of shares outstanding at the beginning and at the end of the accounting year, is set out below:

Particulars	31-Mar-17	31-Mar-16
	No. of shares	No. of shares
<b>Equity Shares</b>		
Equity shares at the beginning of the year	10,00,000	50,000
Add: shares issued during the year	-	9,50,000
<b>Equity shares at the end of the year</b>	<b>10,00,000</b>	<b>10,00,000</b>

b) There are No ( Previous year-No) rights, preference and restriction attaching to each class of shares including restriction on the distribution of dividend and the repayment of capital.

c) There are nil number of shares ( Previous year-Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.

d) Shares in the company held by each shareholders holding more than 5% shares, as on 31.03.2017

Name of the Shareholder	No. of shares	No. of shares
KSS Limited	9,99,990	9,99,990

**Note: 3.2 Reserves & Surplus**

Particulars	31-Mar-17	31-Mar-16
Surplus (Profit & Loss Account)	-50,66,602	-75,75,147
Add: Profit for the period	3,18,300	25,08,545
<b>Total</b>	<b>-47,48,302</b>	<b>-50,66,602</b>

**Note: 3.3 Long Term Provisions**

Particulars	31-Mar-17	31-Mar-16
Provision for Gratuity	2,24,579	-
<b>Total</b>	<b>2,24,579</b>	<b>-</b>

**Note: 3.4 Short Term Borrowings**

Particulars	31-Mar-17	31-Mar-16
Advance from Related Parties	3,19,14,315	1,70,64,808
Short Term Borrowings from Others	83,44,989	-
<b>Total</b>	<b>4,02,59,304</b>	<b>1,70,64,808</b>

**Note: 3.5 Trade Payables**

Particulars	31-Mar-17	31-Mar-16
Sundry Creditors - Less than 1 year	75,43,099	57,78,540
<b>Total</b>	<b>75,43,099</b>	<b>57,78,540</b>

**Note: 3.6 Other Current Liabilities**

Particulars	31-Mar-17	31-Mar-16
TDS Payable	8,29,681	78,485
VAT Payable	34,934	2,30,249
Advance from Clients	-	5,55,000
Professional Tax Payable	1,24,175	24,500
ROC Fees Payable	-	2,04,000
Service Tax Payable	7,457	-
<b>Total</b>	<b>9,96,246</b>	<b>10,92,234</b>

**Note: 3.7 Short Term Provisions**

Particulars	31-Mar-17	31-Mar-16
Provisions for Tax	-	28,396
Audit Fees Payable	30,000	-
Provision for Salary	13,24,247	-
<b>Total</b>	<b>13,54,247</b>	<b>28,396</b>

**Note: 3.9 Non - Current Investments**

Particulars	31-Mar-17	31-Mar-16
Investment in subsidiary	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note: 3.10 Long Term Loans and Advances**

Particulars	31-Mar-17	31-Mar-16
Security deposit (Unsecured and considered good)		
Rent Deposit	23,82,250	-
MVAT Deposit	25,000	-
Other Security Deposit	10,000	4,35,000
<b>Total</b>	<b>24,17,250</b>	<b>4,35,000</b>

**Note: 3.11 Cash & Cash Equivalent**

Particulars	31-Mar-17	31-Mar-16
<b>Cash-in-Hand</b>		
Cash Balance	3,16,010	2,25,333
<b>Sub Total (A)</b>	<b>3,16,010</b>	<b>2,25,333</b>
<b>Bank Balance</b>		
Current accounts	3,29,345	2,73,409
<b>Sub Total (B)</b>	<b>3,29,345</b>	<b>2,73,409</b>
<b>Total</b>	<b>6,45,355</b>	<b>4,98,742</b>

**Note: 3.12 Sundry Debtors**

Particulars	31-Mar-17	31-Mar-16
Debtors Less than 6 months	2,45,69,135	2,15,92,153
<b>Total</b>	<b>2,45,69,135</b>	<b>2,15,92,153</b>

**Note: 3.13 Short Term Loans and Advances**

Particulars	31-Mar-17	31-Mar-16
Loans & Advances to corporates	-	18,37,682
Advances to Suppliers	-	1,45,800
Staff Advances	34,295	-
MAT Credit Entitlement	28,396	-
<u>Others</u>		
Service tax Input	-	37,646
Prepaid Expenses	2,50,719	3,85,860
<b>Total</b>	<b>3,13,410</b>	<b>24,06,988</b>

**Note: 3.14 Other Current Assets**

Particulars	31-Mar-17	31-Mar-16
Preliminary Expenses not W/off	-	1,63,200
<b>Total</b>	<b>-</b>	<b>1,63,200</b>

**Note: 3.15 Income From Operations**

Particulars	31-Mar-17	31-Mar-16
Sales-Gold	3,15,43,865	10,45,73,153
<b>Total</b>	<b>3,15,43,865</b>	<b>10,45,73,153</b>

**Note: 3.16 Other Income From Operations**

Particulars	31-Mar-17	31-Mar-16
Collection Income	-	2,09,007
Franchise Fees	52,59,195	-
Other Income	-	9,80,785
<b>Total</b>	<b>52,59,195</b>	<b>11,89,792</b>

**Note: 3.17 Cost of Operations**

Particulars	31-Mar-17	31-Mar-16
Purchases-Gold	2,90,17,611	9,62,02,151
<b>Total</b>	<b>2,90,17,611</b>	<b>9,62,02,151</b>

**Note: 3.18 Changes in Inventories**

Particulars	31-Mar-17	31-Mar-16
Opening Inventories	-	-
Less: Closing Inventories	36,50,538	-
<b>Total</b>	<b>(36,50,538)</b>	<b>-</b>

**Note: 3.19 Direct Expenses**

Particulars	31-Mar-17	31-Mar-16
Direct Expenses	1,38,612	3,59,868
<b>Total</b>	<b>1,38,612</b>	<b>3,59,868</b>

**Note: 3.20 Financial Cost**

Particulars	31-Mar-17	31-Mar-16
Bank Charges	51,950	74,822
<b>Total</b>	<b>51,950</b>	<b>74,822</b>



**Note: 3.21 Employment Benefit Expenses**

Particulars	31-Mar-17	31-Mar-16
Salaries	57,16,454	43,25,542
Staff Welfare Expenses	1,85,440	2,02,753
Leave Enchashment	2,755	-
Gratuity Payable	2,24,579	-
<b>Total</b>	<b>61,29,228</b>	<b>45,28,295</b>

**Note:3.22 Depreciation & Amortised Cost**

Particulars	31-Mar-17	31-Mar-16
Depreciation	11,10,592	4,88,906
Preliminary Expenses written-off	1,72,700	40,800
<b>Total</b>	<b>12,83,292</b>	<b>5,29,706</b>

**Note: 3.23 Other Administrative Expenses**

Particulars	31-Mar-16	31-Mar-15
Audit Fees	30,000	30,000
Software Maintainance Expenses	20,639	84,000
Conveyance Expenses	95,169	1,11,694
Roc fees	18,100	12,363
Electricity Expenses	8,32,137	-
Office Expenses	5,83,064	96,960
Printing & Stationery Expenses	88,113	41,367
Professional Fees	97,830	12,14,020
Travelling Expenses	1,36,567	3,53,862
Telephone Expenses	4,83,140	11,329
Hotel & Restaurent Expenses	11,721	1,66,665
Labour Charges	18,150	-
Professional Tax	2,500	-
Registration Charges	75,870	-
Renewel Charges	59,741	-
Rate & Taxes	-	14,060
Postage Charges	20,194	16,003
Office Repair & Maintenance	1,52,848	64,965
Interest & Penalty	5,007	1,33,293
Rent Expenses	6,79,519	8,92,765
Advertising Expenses	-	65,000
Debtors Written-off	-	70,617
Commission & Brokerage	1,250	-
Swachh Bharat Cess	27,432	-
Staff Recruitment Expenses	43,750	-
Security Charges	1,28,207	-
<b>Total</b>	<b>36,10,947</b>	<b>33,78,963</b>

**Birla Gold and Precious Metals Private Limited**  
( Formerly Known as Alta Software Private Limited)

**Note no. : 3.8 Fixed assets**

Particulars	Rate	Gross block				Depreciation/amortization				Net block	
		As at April 1, 2016	Adjustments		As at March 31, 2017	As at April 1, 2016	For the period	Deletion/ Adjustments	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
			Additions	Deductions							
<b>Tangible Assets</b>											
Computers & Softwares	63.16%	14,97,862	10,250	-	15,08,112	2,89,621	7,64,985	-	10,54,605	4,53,507	12,08,241
Furniture & Fixtures	25.89%	5,49,325	65,01,239	-	70,50,564	1,92,003	1,70,905	-	3,62,908	66,87,656	3,57,322
Office equipment	45.07%	4,02,900	68,180	-	4,71,080	58,496	1,74,703	-	2,33,199	2,37,881	3,44,404
Trade Mark	0.00%	30,337		-	30,337	-		-	-	30,337	30,337
<b>Total</b>		<b>24,80,424</b>	<b>65,79,669</b>	<b>-</b>	<b>90,60,093</b>	<b>5,40,120</b>	<b>11,10,592</b>	<b>-</b>	<b>16,50,712</b>	<b>74,09,381</b>	<b>19,40,304</b>
Previous Year		10,70,099	14,10,325	-	24,80,424	51,214	4,88,906	-	5,40,120	19,40,304	10,18,885

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1. COMPANY INFORMATION:

Birla Gold and Precious Metals Limited (BGPML) is a public limited company registered under The Companies Act, 1956. The company is service provider and retailer for all kinds of goods and merchandise including precious and semi-precious metals, stones, gold, silver, diamonds, jewelry, bullions and all such other commodities.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 1) Basis of Accounting:

The financial statements of the company have been prepared under historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act 2013 and comply in all material aspects with the accounting principles generally accepted in, under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

The accounting policies have been consistently applied unless otherwise stated. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company considers 12 months to be its normal operating cycle.

#### 2) Use of Estimates

The preparation of financial statements in conformity with Generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual amounts and the estimates are recognized in the year in which the events become known / are materialized.

#### 3) Fixed Assets

##### Tangible assets

Fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

### **Intangible assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

### **Depreciation/amortization**

#### **Tangible assets**

Depreciation on fixed assets is calculated on a written down value method at based on the useful lives estimated by the management, or those prescribed under the Schedule II of the Companies Act, 2013, The company has used the following rates to provide depreciation on its fixed assets.

<b>Particulatrs</b>	<b>Rates of Depreciation</b>
Plant and Equipments	45.07%
Furniture and Fixtures	25.89%
Computers and laptops	63.16%

#### **Intangible assets**

Depreciation on fixed assets is calculated on a written down value method at based on the useful lives estimated by the management, or those prescribed under the Schedule II of the Companies Act, 2013, The company has used the following rates to provide depreciation on its fixed assets.

### **4) Impairment of assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

## 5) Revenue Recognition

**Company business modal and revenue recognition policies are briefly described as under as per explanation and information given by the management:**

The company proposes to present to end customers the flexibility to purchase and accumulate fractional amount of gold, rather than spending large sums of money to purchase it in one go, hence it introduced a physically backed Gold purchase plan named "Cherish Gold Plan-(CGP)" (formerly known as "Birla Gold Savings Plan"). With this plan, the company shall entail the purchase of gold based on the daily averaging methodology through payment in installments, which shall give an opportunity to the general public to buy and accumulate gold. The Gold shall be sold to the customer on an outright basis and daily sales basis.

Customer is free to purchase as much as gold, at any time as he may so desire. The Customer shall purchase the gold with a plan of 11 Months and shall have the option to close the account subject to the pre-maturity charges levied as per the terms and conditions of the plan. The Customer has full access to their account detailing daily gold accumulations, price at which gold is purchased daily, total gold grammage accumulated, money yet remaining to be utilized in gold purchase etc.

The whole plan is only a transaction of purchase and sale of the gold on behalf of the customer. No yield or returns are promised under the plan and the customer has to compulsorily take delivery of the gold accumulated under his/her Account.

BGPML purchases gold for every subscription made by the customer via the Daily Averaging Methodology. Hence the company is doing advance purchase of gold and storing the gold with the safe-keeper for delivery at a future date.

So as per the business modal and nature of business plan revenue is recognized on daily basis **even though the reasonable risks and rewards incidental to the ownership are not transferred to the customer.** Revenue from operations includes sale of goods, services adjusted for discounts net of taxes and goods return.

Dividend income is accounted for on receipt basis.

## 6) Investments

Investments are classified as current investments and long-term investments as per information and explanation given by the management.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at cost or FMV whichever is lower and Long-term investments are carried at cost. However, provision for diminution in value is not recognizing other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss. Investments transfer to holding company at cost gain or loss on said investment book by holding company.

## **7) Foreign Currency Transactions**

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transaction. At the year-end, all monetary assets and liabilities denominated in foreign currency are reinstated at the year-end exchange rates. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Statement.

## **8) Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Profit and Loss A/c in the year in which they are incurred.

## **9) Taxation**

### **Current Tax**

Tax expense comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

### **Deferred Tax**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

## **10) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation

that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### 11) Leases

#### Where the Company is the lessor

Assets given on operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

#### Where the Company is the lessee

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### 13) Retirement benefits

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The following tables summaries the components of net benefit expense recognized in the statement of profit and loss account and corresponding liability recognized in the balance sheet for the respective plans.

<b>Table 1 : Amounts in Balance Sheet</b>	<b>31-Mar-17</b>
Defined Benefit Obligation (DBO)	2,47,579
Fair Value of Plan Assets	-
Funded Status - (Surplus)/Deficit	2,47,579
Unrecognized Past Service Cost / (Credit)	-
Unrecognised Asset due to Limit in Para 59(B)	-
Liability/(Asset) recognised in the Balance Sheet	2,47,579

<b>Table 2 : Amount Recognised in the Statement of Profit &amp; Loss</b>	<b>31-Mar-17</b>
Current Service Cost	60,238
Interest Cost	6,174
Expected Return on Plan Assets	-
Past Service Cost	-
Net Actuarial Losses/(Gains)	1,02,018
(Gain)/Loss due to Settlements/	-
Curtailments/Acquisitions/Divestitures	-
Unrecognised Asset due to Limit in Para 59(B)	-
Total Expense/(Income) included in "Employee Benefit Expense"	1,68,430

<b>Table 3 : Change in Present Value of Benefit Obligation during the Period</b>	<b>31-Mar-17</b>
Defined Benefit Obligation, Beginning of Period	79,149
Current Service Cost	60,238
Interest Cost	6,174
Actual Plan Participants' Contributions	-
Actuarial (Gains)/Losses	1,02,018
Acquisition/Business Combination/Divestiture	-
Actual Benefits Paid	-
Past Service Cost	-
Changes in Foreign Currency Exchange Rates	-
Loss / (Gains) on Curtailments	-
Liabilities Extinguished on Settlements	-
Defined Benefit Obligation, End of Period	2,47,579

<b>Reconciliation of Amounts in Balance Sheet</b>	<b>31-Mar-17</b>
Opening Balance Sheet (Asset)/Liability	-
Total Expense/(Income) Recognised in P&L **	2,24,579
Actual Benefits Paid	-
Acquisition/Business Combination/Divestiture	-
Closing Balance Sheet (Asset)/Liability	2,24,579

\*Note: The provision for gratuity for the financial year is recognized by the company is Rs. 2,24,579/- instead of Rs. 2,47,579/- due to clerical error which to be adjusted on the first day of next financial year.



## Notes to Accounts

3.24 The previous year's figures have been reworked, rearranged and reclassified wherever considered necessary. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

3.25 All items of receipts and payments, Income & Expenditure wherever details, vouchers, supporting and or any sort of evidences not available are hereby approved confirmed, authenticated and certified by the management.

3.26 Earnings per share

(Amount in Rupees)

Particulars	March 31, 2017	March 31, 2016
Net profit / (loss) after tax for the year	3,18,300	25,08,545
Weighted equity shares outstanding as at the year end	10,00,000	10,00,000
Nominal value per share (Rs.)	10	10
Earnings per share(Weighted Average)		
– Basic	0.32	2.51
– Diluted	0.32	2.51

3.27 Payment to Auditors & Director's Remuneration:

Sr. No.	Particulars	2016-17	2015-16
i)	Remuneration to Director	10,97,800/-	17,33,100
ii)	Payment to Auditors	30,000/-	30,000/-

3.28 Details of Quantitative data of inventory:

Item Name	Unit	Opening stock	Purchase during the year	Sales during the year	Closing stock
Gold	Grams	Nil	9,822.786	8,574.464	1,248.322

3.29 During the financial year the management has identified Rs. 1,46,95,169/- as Capital work in Progress on account of amount spent in relation of assets which is not completed till the end the of financial year. This amount is not charged to profit and loss account instead debited to capital work in progress and shown in the assets side of the balance sheet.

### 3.30 Related Party Disclosures

As per accounting standard on Related Party Disclosure (AS-18) as notified by the Companies Accounting Standard Rules, 2006 (as amended), the names of the related parties of the Company are as follows:

#### Names of related parties and related party relationship

Related parties where control exists irrespective of whether transactions have occurred or not:

KSS Limited
K Sera Sera Miniplex Limited
Birla Jewels Limited
K Sera Sera Digital Cinema Limited
K Sera Sera Box office Private Limited
Nikita Rattanshi
Yogesh Jagjivandas Salla
Zubin Parvez Garda
Satish Panchariya

(Amount in Rupees)

Nature of transaction	2016-17	2015-16
<b>A. Transactions during the year</b>		
Advances/ Loan Repayment Paid		
K Sera Sera Digital Cinema Limited	93,00,000	1,08,77,382
K Sera Sera Miniplex Limited	12,75,000	NIL
KSS Limited	1,17,76,285	1,00,90,000
Birla Jewels Limited	74,43,238	47,38,762
Advances/ Loan Repayment Received		
K Sera Sera Digital Cinema Limited	93,00,000	1,08,77,382
KSS Limited	2,75,80,600	2,62,00,000
Birla Jewels Limited	64,88,430	56,94,570
K Sera Sera Miniplex Limited	12,75,000	NIL

<b>B. Closing Balance</b>		
Short Term Borrowings		
K Sera Sera Digital Cinema Limited	NIL	NIL
Loans and Advances		
Birla Jewels Limited	NIL	9,54,808
K Sera Sera Miniplex Limited	NIL	NIL
KSS Limited	3,19,14,315	1,61,10,000
Remuneration to key Managerial Personal		
Nikita Rattanshi	10,97,800	17,33,100
Zubin Parvez Garda	3,15,000	NIL

3.31 In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated.

3.32 The outstanding balances of Sundry Debtors, Sundry Creditors, and loans & advances are subject of confirmation and reconciliation/ consequential adjustment, if any.

3.33 As per the information available with the Company and certified by them, total outstanding due to Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year is Rs. Nil (Nil).

3.34 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particular	Specified Bank notes (SBNs)	Other denomination notes	Total
Closing cash in hand as on 8 <sup>th</sup> November, 2016	16,47,000	14,750	16,61,750
Add: Withdrawal from Bank	NIL	4,99,500	4,99,500
Add: Permitted receipts	NIL	NIL	NIL
Less: Permitted Payments	NIL	2,55,222	2,55,222

Less: Amount deposited in banks	16,47,000	NIL	16,47,000
Closing Cash in hand as on 30 <sup>th</sup> December, 2016	Nil	2,59,028	2,59,028

(Amount in Rupees)

**Note:**

1. For the purpose of this clause, the term Specified Bank Notes (SBNs) means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8 November, 2016

**FOR DEEPAK PANERI**  
Chartered Accountants

-sd-

**CA Deepak Paneri**  
M. No – 421387

**FOR BIRLA GOLD AND PRECIOUS METALS LIMITED**

-sd-

**ZUBIN PARVEZ GARDA**  
Director  
DIN: 07753758

-sd-

**NIKITA RATTANSHI**  
Director  
DIN: 06628793

Place: Mumbai

Date: 02.06.2017