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C. R. Sharedalal & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Partners of Zaveri and Company (Gujarat) LLP

Report on the Financial Statements

We have audited the accompanying financial statements of **Zaveri and Company (Gujarat) LLP** ("the LLP"), which comprise the Balance Sheet as at 31st March, 2018, the Profit and Loss Account, 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 LLP's Partners are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the LLP in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Limited Liability Partnership Act, 2008 ("the Act") for safeguarding the assets of the LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the LLP's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the LLP has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

reasonableness of the accounting estimates made by the LLP's Partners, 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 qualified audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the LLP as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Further, 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 LLP so far as appears from our examination of those books;

c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. in our opinion, the aforesaid financial statements comply with the Accounting Standards issued by the Institute of Chartered Accountants of India.

For. C.R. SHAREDALAL & CO.
CHARTERED ACCOUNTANTS,
(Registration No.109943W)

Place : Ahmedabad
Date : 16-08-2018

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

(C. R. SHAREDALAL)
PARTNER
Membership No.002571

ZAVERI AND COMPANY (GUJARAT) LLP
BALANCE SHEET AS AT 31-03-2018

(All amounts are in Rupees unless otherwise stated)

	Schedules	As at 31-03-2018 Rupees	As at 31-03-2017 Rupees
Contribution and Liabilities			
Partners' Funds			
Contribution towards capital	1	4667000	4667000
Partners' Current Accounts	2	247834782	40710491
Reserves	3	471060267	589754535
Liabilities			
Deferred Tax Liability (Net)	21.II.2	8429000	2869100
Secured Loans	4	21496707	7449500
Unsecured Loans	5	844309949	894117579
Creditors	6	135916672	44420684
Other Liabilities	7	626927125	659227001
Provisions	8	12023096	56785645
Total		**2372664597**	**2300001535**
Assets			
Fixed Assets	9		
Gross Block		418746115	269494073
Less: Depreciation		238740953	195856153
Net Block		180005162	73637920
Investments	10	116538800	268752826
Loans & Advances	11	76492646	38884201
Inventories	12	1976406411	1733248931
Debtors	13	14713816	1804180
Cash & Bank Balances	14	8507762	183673476
Total		**2372664597**	**2300001535**
Accounting Policies & Notes Forming Part of Accounts	21		

As per our Report of even date

For, C.R. Sharedalal & Co.
Chartered Accountants
(Firm Reg. No. 109943W)

(C.R. Sharedalal)
Partner
Membership No. 002571

C.R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

Place : Ahmedabad
Date : 16-08-2018

For, Zaveri and Company (Gujarat) LLP

Partner

Place : Ahmedabad
Date : 16-08-2018

ZAVERI AND COMPANY (GUJARAT) LLP
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31-03-2018

(All amounts are in Rupees unless otherwise stated)

	Schedules	For the Year ended 31-03-2018 Rupees	For the Year ended 31-03-2017 Rupees
INCOME			
Sales	**15**	2519935304	1953176962
Other Incomes	**16**	10795909	5457306
Total Income		**2530731213**	**1958634268**
EXPENSES			
Cost of Sales	**17**	2173113740	1727692475
Employee Benefit Expenses	**18**	35361358	32582411
Finance Cost	**19**	114893041	92533519
Other Expenses	**20**	53460589	37277604
Depreciation & Amortization	**9**	44093554	8401837
Total Expenditure		**2420922283**	**1898487846**
Net Profit/(Loss) before tax		**109808931**	**60146422**
Income Tax		35500000	22332000
(Excess)/Short provision of Income Tax of earlier years		0	-11258
Deferred Tax		5559900	279700
Profit/(Loss) after Tax		**68749031**	**37545980**
Profit/(Loss) Transferred to Partners Account		**68749031**	**37545980**
Profit Transferred to Reserves and Surplus		0	**0**
Accounting Policies & Notes Forming Part of Accounts	**21**		

As per our Report of even date

For, C.R. Sharedalal & Co.
Chartered Accountants
(Firm Reg. No. 109943W)

C.R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

(C.R. Sharedalal)
Partner
Membership No. 002571

Place : Ahmedabad
Date : 16-08-2018

For, Zaveri and Company (Gujarat) LLP

Z. V. Mandali

Partner

Place : Ahmedabad
Date : 16-08-2018

ZAVERI AND COMPANY (GUJARAT) LLP
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2018

(All amounts are in Rupees unless otherwise stated)

			For the year ended 31-03-2018		For the period ended 31-03-2017
		Rupees	Rupees	Rupees	Rupees
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit (Loss) before taxtion and extraordinary items		109808931		60146422
	Adjustment for				
	Interest Income	-3227565		-2329192	
	Rent income	-4508886		-3002848	
	Profit on sale of Fixed Assets	0		-10508	
	Profit on conversion of investment into stock	-2792671		0	
	Loss on sale of Fixed Assets	576489		0	
	Depreciation	44093554		8401837	
	Interest expense	114893041	149033962	92533519	95592808
	Operating Profit before Working CapitalChanges		**258842892**		**155739230**
	Decrease (Increase) in Debtors	-12909636		-1653221	
	Decrease (Increase) in Inventories	-48998129		253657069.9	
	Decrease (Increase) in Loans & Advances	-2105165		-604441	
	Increase (Decrease) in Provisons	164421		463445	
	Increase (Decrease) in Other Liabilities	-32299876		6185586	
	Increase (Decrease) in Creditors	91495988	-4652397	-128417620	129630819
	Cash Used in/generated from Operations		**254190496**		**285370049**
	Direct taxes paid		-80426970		72710805
	Net cash used in operating activities		173763526		212659244
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	-148156935		-10864222	
	Sale of Fixed Assets	810900		275000	
	Interest income	3227565		2329192	
	Decrease (Increase) in WIP	-3687500		0	
	Rent income	4508886		3002848	
	Purchase of investments	-39156404		0	
	Net cash used in investing activites		**-182453488**		**-5257182**
C.	**CASH FLOW FROM FINACING ACTIVITIES**				
	Capital contribution from partners	-6641		4077936	
	Proceeds of Secured Loans	14047207		7449500	
	Proceeds of Unsecured Loans	-49807630		53374137	
	Received from\(Used in) loan given	-35503280		-506540	
	Interest Paid	-95205408		-91748825	
	Net cash from financing activities		**-166475752**		**-27353792**
	Net increase in cash & cash equivalents		**-175165714**		**180048270**
	Cash & Cash equivalents at begining of year		183673476		3625206
	Cash & Cash equivalents at end of period		8507762		183673476

Note: Cash and Cash Equivalents included in the Cash Flow Statement comprises the following balances amounts :

	As at 31-03-2018	As at 31-03-2017
Cash On Hand	3599784	2351151
Bank Balance with Schedule Banks	4907978	181322325
Total	8507762	183673476

As per our Report of even date
For C.R. Sharedalal & Co.
Chartered Accountants
(Firm Reg no. 109943W)

C.R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

C.R.SHAREDALAL
Partner
Membership No. 002571
Place : Ahmedabad
Date : 16-08-2018

For, Zaveri and Company (Gujarat) LLP

Z. V. M

Partner

Place : Ahmedabad
Date : 16-08-2018

ZAVERI AND COMPANY (GUJARAT) LLP
Schedules forming part of the Financial Statements
(All amounts are in Rupees unless otherwise stated)

Schedule : 1 :
Contribution towards capital

Name of the Partner	As at 31-03-2018 Rupees	As at 31-03-2017 Rupees
Kishor P. Mandalia	443350	443350
Vipul Z. Mandalia	700080	700080
Zaverilal V. Mandalia	933440	933440
Chandresh Z. Mandalia	700080	700080
Bharat P. Mandalia	793360	793360
Raj B. Mandalia	350000	350000
Sneh K. Mandalia	350000	350000
Yash K. Mandalia	350000	350000
Pranjivandas V. Mandalia	46690	46690
Total	**4667000**	**4667000**

Schedule : 2 :
Partners' Current Accounts

Name of the Partner	Share (%) in Profit/Loss	Balance as at 01-04-2017 Rupees	Addition	Deduction	Profit/(Loss) for the year	Interest	Balance as at 31-03-2018 Rupees
Kishor P. Mandalia	9.50	3796607	11276155	0	6531158	1861932	23465852
Vipul Z. Mandalia	15.00	5708900	17804140	0	10312355	2905575	36730969
Zaverilal V. Mandalia	20.00	8286007	24021904	283000	13749806	3954066	49728784
Chandresh Z. Mandalia	15.00	5748649	17804140	11597	10312355	2910345	36763891
Bharat P. Mandalia	17.00	6482274	20178026	0	11687335	3294439	41642074
Raj B. Mandalia	7.50	3677498	8966776	60000	5156177	1551476	19291928
Sneh K. Mandalia	7.50	3236071	8902070	0	5156177	1498577	18792896
Yash K. Mandalia	7.50	3096687	8902070	0	5156177	1481851	18636786
Pranjivandas V. Mandalia	1.00	677797	1186943	0	687490	229372	2781602
Total	100.00	40710491	119042224	354597	68749031	19687633	247834782

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

ZAVERI AND COMPANY (GUJARAT) LLP
Schedules forming part of the Financial Statements

		As at 31-03-2018 Rupees	As at 31-03-2017 Rupees
Schedule : 3 :			
Reserves			
Reserves on account of conversion from the Company		471060267	471060267
General Reserve		0	118694268
	Total	**471060267**	**589754535**
Schedule : 4 :			
Secured Loans			
HDFC Car Loan		5168819	7449500
(Secured by hypothecation of the Car purchase against it)			
Bank Overdraft		16327889	0
(Secured against FDs of partner)			
	Total	**21496707**	**7449500**
Schedule : 5 :			
Unsecured Loans			
From Partners		339730603	362835652
From other parties		258894128	333773669
From related parties		245685218	197508258
	Total	**844309949**	**894117579**
Schedule : 6 :			
Creditors			
For Goods		130941133	43203719
For Expenses		4975539	1216965
	Total	**135916672**	**44420684**

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

ZAVERI AND COMPANY (GUJARAT) LLP
Schedules forming part of the Financial Statements

	As at 31-03-2018 Rupees	As at 31-03-2017 Rupees

Schedule : 7 :
Other Liabilities

	As at 31-03-2018 Rupees	As at 31-03-2017 Rupees
Statutory dues	10292440	9868849
TDS payables		
GST payable		
ESIC Payable		
PF Payable		
Professional Tax Payable		
Security Deposit	1562040	1112040
Other Debts*	612438042	642438042
Advance from customers	2634603	5808070
Total	**626927125**	**659227001**

*Other Debts are payable to Zaveri and Company Private Limited (ZCPL), originally incurred as interdivision transactions in ZCPL and upon demerger of Showroom Undertaking of ZCPL in to erstwhile Company Zaveri International Pvt. Ltd. (ZIPL) it was considered as other

Schedule : 8 :
Provisions

	As at 31-03-2018 Rupees	As at 31-03-2017 Rupees
Provision for bonus	3241512	3254537
Provision for salary and allowances	139601	0
For gratuity	4769136	4544481
For expenses	243073	429883
For income tax (Net of Advances)	3629774	0
For income tax under IDS	0	48556744
Total	**12023096**	**56785645**

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

ZAVERI AND COMPANY (GUJARAT) LLP
Schedules forming part of the Financial Statements

Schedule : 9 :
Fixed Assets

	Description	Rate of Depreciation	Gross Block: As at 01-04-2017	Gross Block: Additions	Gross Block: Deletions	Gross Block: As at 31-03-2018	Depreciation: As at 01-04-2017	Depreciation: For the Year	Depreciation: Deletions	Depreciation: Up to 31-03-2018	Net Block: As at 31-03-2018	Net Block: As at 31-03-2017
(i)	**Tangible Assets**											
1	Building	10%	74001635	3750	0	74005385	33693826	4030782	0	37724608	36280777	40307809
2	Leasehold improvements-Building	5 years	1306040	0	0	1306040	1062246	243794	0	1306040	0	243794
3	Plant and Machinery	15%	14319424	63280	0	14382704	8660634	854202	0	9514836	4867868	5658790
4	Furniture and Fixtures	10%	28567175	26447	0	28593622	22461130	555230	0	23016360	5577262	6106045
5	Vehicles	15%	32833740	4733637	2596143	34971234	12642167	3248685	1208754	14682098	20289136	20191573
6	Office Equipments	15%	1438223	61800	0	1500023	1194901	34001	0	1228902	271121	243322
7	Electrical Installations	10%	1668729	0	0	1668729	1119238	54949	0	1174187	494542	549491
8	Computers	60%	3148647	208911	0	3357558	2811551	158558	0	2970109	387449	337096
9	Land		0	32057860	0	32057860	0	0	0	0	32057860	0
10	Windmills	40%	0	111005000	0	111005000	0	34913353	0	34913353	76091647	0
	Total		**157283613**	**148160685**	**2596143**	**302848155**	**83645693**	**44093554**	**1208754**	**126530493**	**176317662**	**73637920**
(ii)	**Intangible Assets**											
1	Trade Mark		112210460	0	0	112210460	112210460	0	0	112210460	0	0
	Total		**112210460**	**0**	**0**	**112210460**	**112210460**	**0**	**0**	**112210460**	**0**	**0**
(iii)	**Capital Work-in-progress**											
1	Software	25%	0	206500	0	206500	0	0	0	0	206500	0
2	Plant and Machinery	15%	0	3481000	0	3481000	0	0	0	0	3481000	0
	Total		**0**	**3687500**	**0**	**3687500**	**0**	**0**	**0**	**0**	**3687500**	**0**
	Grand Total		**269494073**	**151848185**	**2596143**	**418746115**	**195856153**	**44093554**	**1208754**	**238740953**	**180005162**	**73637920**
	Previous Year		**260637506**	**10864222**	**2007655**	**269494073**	**189197479**	**8401837**	**1743163**	**195856153**	**73637920**	

C. R. SHAREDALAL & CO.
CHARTERED ACCOUNTANTS
AHMEDABAD

ZAVERI AND COMPANY (GUJARAT) LLP

Schedules forming part of the Financial Statements

	As at 31-03-2018 Rupees	As at 31-03-2017 Rupees
Schedule : 10 :		
Investments		
(Long-term, Valued at Cost)		
Investments in Property (Commercial complex)		
Pancham Highstreet - Showroom GF1, FF 101, SF 201	66601575	66601575
Panchratna Complex No. 6	7381353	0
Shapath 5 - 1901,1902	31775051	0
Safal Profitare Unit A -6 & A-7 on 8th Floor	10776621	10776621
Investments in equity instruments (Unquoted)		
-168 Equity shares of Rs.25/- each fully paid up in Abhyuday Co.Op. Bank Ltd.	4200	4200
- 15 Equity shares of Rs.250/- each fully paid up in Alpa Association & Pinali Association.	0	3750
(Short-term, Valued at Cost) (Disclosed under IDS)*		
Silver utensils & others	0	7750829
Gold Ornaments	0	135191036
Loose Diamonds	0	41170240
Precious Stones, pearls and others	0	7254575
Total	**116538800**	**268752826**
Aggregate amount of unquoted investments	4200	7950

*Refer Note number 21.II.8

	As at 31-03-2018 Rupees	As at 31-03-2017 Rupees
Schedule : 11 :		
Loans & Advances		
Security deposits(Unsecured, considered good)	4580447	4539855
Balance with Statutory Authorities	1936189	187520
Loans to Staff	174033	162189
Loans to related parties	15700000	0
Loans to others	50000000	30196720
Advance to Creditors	503445	183089
Prepaid Expense	914713	941501
Advance Income tax (Net of Provision)	2642782	2642782
Others	41037	30545
Total	**76492646**	**38884201**

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

ZAVERI AND COMPANY (GUJARAT) LLP
Schedules forming part of the Financial Statements

		As at 31-03-2018 Rupees	As at 31-03-2017 Rupees
Schedule : 12 :			
Inventories			
Traded goods			
Gold Bars		5036118	7672358
Gold Ornaments		1440853590	1264742654
Silver & Silver Ornaments		34782652	31618577
Diamonds		431264112	367204205
Others		64469939	62011137
	Total	**1976406411**	**1733248931**
Schedule : 13 :			
Debtors			
Unsecured, considered good		14713816	1804180
	Total	**14713816**	**1804180**
Schedule : 14 :			
Cash & Bank Balances			
Balances with banks in current accounts		4907978	181322325
Cash on hand		3599784	2351151
	Total	**8507762**	**183673476**

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS * AHMEDABAD *

ZAVERI AND COMPANY (GUJARAT) LLP
Schedules forming part of the Financial Statements

	For the Year ended 31-03-2018 Rupees	For the Year ended 31-03-2017 Rupees
Schedule : 15 :		
Sales		
Gold & Silver Bars, Gold & Silver Ornaments, Diamonds and others*	2133700388	1654211714
Electric Units	43713434.99	0
Units of Mutual Funds	342521481	298965248
Total	**2519935304**	**1953176962**

	For the Year ended 31-03-2018 Rupees	For the Year ended 31-03-2017 Rupees
Schedule : 16 :		
Other Incomes		
Gain on conversion of investment into stock in trade	2792671	0
Interest income	3227565	2329192
Rent income	4508886	3002848
Miscellaneous Income	0	48790
Insurance claim	266787	37243
Interest on Income Tax Refund	0	28725
Profit on sale of fixed assets	0	10508
Total	**10795909**	**5457306**

C. R. SHAREDALAL & CO.
CHARTERED ACCOUNTANTS
AHMEDABAD

ZAVERI AND COMPANY (GUJARAT) LLP
Schedules forming part of the Financial Statements

		For the Year ended 31-03-2018 Rupees	For the Year ended 31-03-2017 Rupees
Schedule : 17 :			
Cost of Sales			
Inventories at the beginning of the year			
Gold Bars		7672358	7625749
Gold Ornaments		1264742654	1443900504
Silver & Silver Ornaments		31618577	36563977
Diamonds		367204205	374814686
Others		62011137	58628596
Units of Mutual Funds		0	40931409
	Total (A)	**1733248931**	**1962464921**
Purchase of Gold & Silver Bars, Gold & Silver Ornaments, Diamonds and others		1849730082	1192160358
Investment converted into stock-in-trade		194159351	0
Units of Mutual Funds		338800000	248100000
Windmill Electric Consumption		287668	0
Diamonds disclosed under IDS		0	24441080
Labour Charges		33294119	33775047
	Total (B)	**2416271220**	**1498476485**
Inventories at the end of the year:			
Gold Bars		5036118	7672358
Gold Ornaments		1440853590	1264742654
Silver & Silver Ornaments		34782652	31618577
Diamonds		431264112	367204205
Others		64469939	62011137
	Total (C)	**1976406411**	**1733248931**
Cost of Sales (A+B-C)		**2173113740**	**1727692475**

C.R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

ZAVERI AND COMPANY (GUJARAT) LLP

Schedules forming part of the Financial Statements

		For the Year ended 31-03-2018 Rupees	For the Year ended 31-03-2017 Rupees
Schedule : 18 :			
Employee Benefit Expenses			
Salaries and Bonus		28452457	26610304
Leave Encashment		2322036	2182626
Provided for gratuity		506482	389186
ESIC and Provident fund		2895132	2591750
Staff welfare expenses		1185251	808545
	Total	**35361358**	**32582411**
Schedule : 19 :			
Finance Cost			
Interest on capital		19687633	784694
Interest on loans		94458286	91748825
Interest on Car loans		533259	0
Interest on OD A/c		213863	0
	Total	**114893041**	**92533519**
Schedule : 20 :			
Other Expenses			
Electricity		4646877	4514257
Rent		3387000	3387000
Packing, Sales promotion and Advertisement		14590794	8792840
Insurance		1385784	1470935
Rates and taxes		2795881	5367082
Repairs and maintenance			
Building		405060	419957
Machinery		9943254	0
Others		1470141	747864
Freight charges		98288	102271
Vehicle running and maintenance		2115305	1776768
Travelling and conveyance		1160765	1155724
Office and Administrative		2845980	2381233
Communication		1133077	1218242
Donations		292001	16001
Legal and professional fees		676470	422154
Payments to auditors		300000	275000
Software Expenses		18341	109805
Security expenses		1188012	1256376
Bank Charges		3598643	2799196
loss on sale of Fixed Asset		576489	0
Other Expenses		832426	1064901
	Total	**53460589**	**37277604**

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

ZAVERI AND COMPANY (GUJARAT) LLP

Schedule : 21 :

Significant Accounting Policy and Notes on Financial Statements
(All amounts are in Rupees unless otherwise stated)

I. **Significant accounting policies forming part of the Financial Statements**

1. **Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP).

2. **Use of estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

3. **Tangible fixed assets**

Fixed Assets are stated at cost less accumulated depreciation. The cost comprises of purchase price, duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

4. **Intangible Assets**

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Cost of acquisition comprises of purchase price, duties, levies and any directly attributable cost to the intangible assets are capitalised.

5. **Depreciation & Amortisation**

Tangible Assets:

Depreciation on tangible fixed assets has been provided on Written down Value method at the rates mentioned in Schedule 9.

Leasehold improvements-Building is amortised on straight line basis with reference to lease terms over a period of useful life not exceeding 10 years commencing from the year in which asset is acquired and put to use.

6. **Inventories**

A. Inventories are valued at Average Cost or Net Realizable value whichever is lower.

Cost is arrived at after averaging the yearly purchase plus cost of opening stock and other costs incurred in bringing them to their respective present location and condition.

B. Securities are valued category wise at lower of cost or net realizable value. The cost is arrived at on FIFO basis.

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CHARTERED ACCOUNTANTS
AHMEDABAD

7. **Cash Flow**

The cash flow Statement is prepared by the indirect method set out in Accounting Standard-3 on Cash Flow Statement and presents cash flows by operating, investing and financing activities of the LLP. Cash and cash equivalents presented in the cash flow statement consist of cash on hand and balances in current and demand deposit with banks.

8. **Revenue Recognition**

A. Revenue from sales is recognised at the point of dispatch to the customers when risk and reward stand transferred to the customers.

B. Dividend income is recognised when the right to receive the dividend is established.

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

D. Units of Mutual Funds
Units of Mutual Fund transactions are accounted as Sales or Purchase as and when it is committed.

E. Other Income
Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

9. **Employee Benefits**

Short-term employee benefits are recognized as expenses in the Profit and Loss Account of the period in which the related services are rendered at the undiscounted amount as and when it accrues.

Long term employee benefits and post-employment benefits both funded and non-funded are recognized as expenses in the Profit and Loss Account of the period in which the related services are rendered based on actuarial valuation.

i. LLP's Contribution towards provident fund are accounted for at pre-determined rates and deposited in to an EPFO.
ii. Gratuity is accounted for on the basis of actuarial valuation.

10. **Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax assets is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

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CHARTERED ACCOUNTANTS
AHMEDABAD

11. **Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. Disclosure for Contingent Liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. No provision is recognized or disclosure for Contingent Liability is made when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

12. **Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount.

13. **Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as Short-term investments. All other investments are classified as Long-term investments. Short-term investments are carried at lower of cost and quoted/fair value determined on category/item wise. Long-term investments are stated at cost. However, Provision for diminution in the value of Long-term investment is made only if such a decline is other than temporary.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Profit and Loss Account.

14. **Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss Account.

15. **Leases**

Operating Leases

The LLP's significant leasing arrangements are in respect of operating leases for premises. The leasing arrangements range between eleven months to nine years generally and are usually renewable by mutual consent at agreed terms. The aggregate lease rent payables for respective period are charged as rent in Profit & Loss Accounts.

C. R. SHAREDALAL & CO.
CHARTERED ACCOUNTANTS
AHMEDABAD

II. **Notes forming part of the Financial Statements**

1. Disclosure as required under Accounting Standard 18 in relation to 'Related Party Transaction' Issued by Institute of Chartered Accountants of India

Details of related parties

Description of relationship	Names of related parties
Enterprises in which Partners/ Relatives of Partners are interested as Director/Member/Partner	Zaveri & Co. Pvt. Ltd.
	Zaveri Enterprise Pvt. Ltd.
	Zaveri Finstock Pvt. Ltd.
	Zaveri & Co Jewellers Pvt. Ltd.
	Zaveri Comtrade Pvt. Ltd.
	Sarabai Enterprises Pvt. Ltd.
	Chokshi Estate Pvt. Ltd.
	Panchratna Infrastructure Pvt. Ltd.
	Ausom Enterprise Ltd.
	Priyal Projects Pvt. Ltd.
	Priyal International Pvt Ltd
	Zaveri & Co Exports.
	Zaveri Foundation
	Saumya Developers
	Keshavaji Developers
	Achal Raj
	Priyal Realty
	Soni Pranjivandas Virjibhai
	Atit Developers LLP
	Amazo Projects LLP
	Zaveri Infracon LLP
	Jagdambey Hydro Projects LLP
	Amazo Arcade LLP
	Khandwala & Zaveri Developers LLP
	Amazo Wind Farm LLP
	Amazo Power LLP
	P K Z Developers LLP
	P K Z Realty LLP
	Atit Realty LLP
	Bricks Bonds Realty LLP
	Zaveri Energy LLP
	Zaveri Realty LLP
	Ananta Exim LLP
	Vrundavan Garden LLP
	Atit Infrastructure LLP
	Amazo Infraspace LLP
	Myspace Infracon LLP
	Amazo Waste Management Solution LLP
	Aaron Infraspace LLP

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

ZAVERI AND COMPANY (GUJARAT) LLP

Description of relationship	Names of related parties
	S K Z Developers LLP
	Swadeshi Distributors LLP
Partner	Kishor pranjivandas Mandalia
	Vipul Zaverilal Mandalia
	Zaverilal Virjibhai Mandalia
	Bharat Pranjivandas Mandalia
	Chandresh Zaverilal Mandalia
	Raj Bharatkumar Mandalia
	Sneh Kishorkumar Mandalia
	Yash Kishor Mandalia
	Pranjivandas Virjibhai Mandalia
Relative of Partner	Alpaben B. Mandalia
	Archi Yash Mandaliya
	Aadhyaksh Vipul Mandalia
	Arunaben K. Mandalia
	Bhanuben P. Mandalia
	Chaitali Chandresh Mandalia
	Chanakya C. Mandalia
	Chitranshi C. Mandalia
	Dakshaben B. Mandalia
	Fenny C. Mandalia
	Khushi B. Mandalia
	Prafulaben Zaverilal Mandalia
	Hemali Vipul Mandalia
	Kautilya Mandalia
	Purva Raj Mandalia
	Prabhaben Arvindbhai
	Chandrikaben Bhogilal Adesra

Transactions during the year with related parties:

Sr. No.	Nature of Transactions	Partners	Relative of Partner	Enterprises in which Partners/ Relatives of Partners are interested as Director /Member /Partner	Total
1	**Loans taken**				
	Balance as on 01-04-2017	362835652	197508258	0	560343910
	Addition during the period	2,8537622	47796000	12500000	88833622
	Repaid during the period	89397000	24141658	10000000	123538658
	Balance as 31-03-2018	339730603	243185218	2500000	585415821
2	**Loans given**				
	Balance as on 01-04-2017	0	0	0	0
	Given during the period	0	150000	20000000	20150000
	Received back during the period	0	150000	4300000	4450000
	Balance as 31-03-2018	0	0	15700000	15700000
3	Purchase	0	0	156853920	156853920
4	Sales	23057000	0	13700	23070700

L.R. SHAH ZAVERI & CO. CHARTERED ACCOUNTANTS AHMEDABAD

Sr. No.	Nature of Transactions	Partners	Relative of Partner	Enterprises in which Partners/ Relatives of Partners are interested as Director /Member /Partner	Total
5	Interest Expenses	41949254	24419786	0	66369040
6	Rent Expenses	0	1800000	0	1800000
7	Salary Expense	0	360000	0	360000

Transactions during the previous year with related parties:

Sr. No.	Nature of Transactions	Partners	Relative of Partner	Enterprises in which Partners/ Relatives of Partners are interested as Director /Member /Partner	Total
1	**Loans taken**				
	Balance as on 01-04-2016	336753712	171316884	0	508070596
	Addition during the period	22446467	20725000	0	43171467
	Repaid during the period	32447000	13821000	0	46268000
	Balance as 31-03-2017	362835652	197508258	0	560343910
2	Purchase	0	0	161094956	161094956
3	Sales	2308836	646683	15079400	18034919
4	Interest Expenses	40876331	21411206	0	62287537
5	Rent Expenses	0	1800000	0	1800000
6	Salary Expense	0	240000	0	240000
7	Reimbursement Received	6031663	2583565	3556870	12172098

2. The deferred tax liability/asset comprises the following:

Particulars	**For the year ended 31-03-2018**	**For the year ended 31-03-2017**
Opening Deferred tax liability related to timing difference on depreciation of fixed assets	2869100	2589400
Deferred tax liabilities / (Asset) related to timing difference on depreciation of fixed assets	5559900	279700
Net deferred tax liability	8429000	2869100

3. Disclosure in respect of retirement benefits as per Accounting Standard 15 prescribed by Institute of Chartered Accountant of India.

The LLP has adopted AS15 (revised 2005) 'Employee Benefit'. Defined Employee benefit schemes are as follows:

a. Provident Fund: LLP pays fixed contribution of Provident Fund at pre-determined rates to an EPFO.
b. Gratuity is Defined Benefit Plans.

The liability towards Gratuity is determined based on actuarial valuation using the Projected Unit Credit Method which is as follows.

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

Sr. No.	Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
A	**Reconciliation of opening and closing balances of Defined Benefit obligation**		
	Defined Benefit Obligation at the beginning of the year	4544481	4399910
	Current Service Cost	611481	530700
	Interest Cost	335837	350233
	Actuarial(gain)/loss	(440836)	(491747)
	Benefit Paid	(281827)	(244615)
	Defined Benefit Obligation at the end of the year	4769136	4544481
B	**Reconciliation of opening and closing balances of fair value of plan assets**	N.A.	N.A.
C	**Reconciliation of fair value of assets and obligations**		
	Fair value of plan assets as at Balance Sheet date	-	-
	Present value of obligation as at Balance Sheet date	4769136	4544481
	Amount recognized in Balance Sheet	4769136	4544481
D	**Expenses recognized during the period**		
	Current Service Cost	611481	530700
	Interest Cost	334837	350233
	Expected return on plan assets	-	-
	Net Actuarial (gain)/loss	(440836)	(491747)
	Net Cost	506482	389186
E	**Actuarial assumptions**		
	Mortality Rates(L.I.C.)	2006-08 (ultimate)	2006-08 (ultimate)
	Discount rate(per annum)	7.78%	7.39%
	Rate of escalation in salary(per annum)	6%	6%

4. Balances of Debtors, Creditors, Loans and Advances and unsecured loan accounts are subject to confirmation and reconciliations if any.

5. Leased Assets :

Premises taken on operating lease during the year 2012 -13 & 2015-16 at lease rent amounting to Rs.14376168/- & 18751500/- respectively for 9 years. Future obligations towards lease rentals under the lease agreement as yearend 31-03-2018 is Rs. 20502418/- (PY 23889418/-)

General description of Lease Terms :

(i) Lease rentals are charged on the basis of agreed terms.

(ii) Lease period is for 9 years.

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

ZAVERI AND COMPANY (GUJARAT) LLP

The future minimum lease payment is as under:

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Not later than one year	3643690	3387000
Later than one year and not later than five years	13486353	14749543
Later than five years	3372375	5752875
Total	20502418	23889418

6. Previous year figures have been reworked regrouped rearranged and reclassified wherever necessary to make it comparable with current year figures.

7. During the year LLP has started business of generation and sales of Electricity Power through windmills. And to that extent, previous year figures are not strictly comparable.

8. During the year LLP had converted its investment (consisting of Gold Ornaments, Diamonds, Precious Stones, pearls, Silver utensils and others) into Stock-in-trade at the fair market value as per registered valuer certificate. The surplus (market price less original cost) arising on such conversion was credited to Profit and Loss Account.

For C. R. Sharedalal & Co.
Chartered Accountants
(Firm Reg. No. 109943W)

(C. R. Sharedalal)
Partner
Membership No. 002571

Place : Ahmedabad
Date : 16/08/2018

C. R. SHAREDALAL & CO. CHARTERED ACCOUNTANTS AHMEDABAD

For Zaveri and Company (Gujarat) LLP

Partner

Place : Ahmedabad
Date : 16/08/2018