



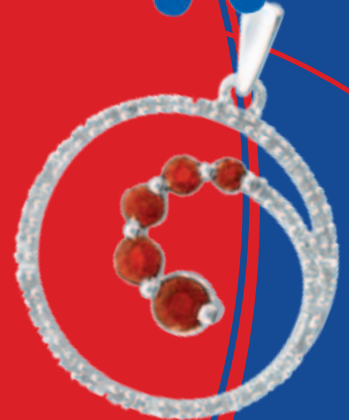
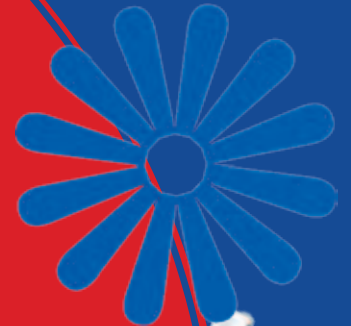
**RENAISSANCE
JEWELLERY LIMITED**

Annual Report 2009-2010



Emerging India Awards 2009

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CHAIRMAN

NIRANJAN A. SHAH

MANAGING DIRECTOR

SUMIT N. SHAH

EXECUTIVE DIRECTORS

HITESH M. SHAH

NEVILLE R. TATA

INDEPENDENT DIRECTORS

VEERKUMAR C. SHAH

VISHWAS V. MEHENDALE

ANIL K. CHOPRA

ARUN P. SATHE

G. M. – LEGAL & COMPANY SECRETARY

G. M. WALAVALKAR

BANKERS

BANK OF INDIA

STATE BANK OF INDIA

PUNJAB NATIONAL BANK

ANTWERP DIAMOND BANK N.V.

CENTRAL BANK OF INDIA

STATUTORY AUDITORS

J. K. SHAH & CO. - CHARTERED ACCOUNTANTS

INTERNAL AUDITORS

JAYESH DADIA & ASSOCIATES - CHARTERED ACCOUNTANTS

SENIOR MANAGEMENT

DILIP JOSHI	(V. P. – FINANCE)
AMIT SHAH	(V. P. – PROCUREMENT)
BHUPEN SHAH	(V. P. – PROCUREMENT)
DHIREN SHAH	(V. P. – OPERATIONS)
PARAG SHAH	(V. P. – OPERATIONS)
NIKESH SHAH	(V. P. – PRODUCTION)
AMAR MAYEKAR	(G. M. – PRODUCTION)
AMRISH SHAH	(G. M. – PRODUCTION)
RUCHI ABBI	(G. M. – PRODUCT DEVELOPMENT)
HARI METHA	(G. M. – PURCHASE & STORES)
SUNIL PANSARE	(G. M. – PRODUCTION)

REGISTERED OFFICE

PLOT NO. 36A & 37,
SEEPZ - SEZ, MIDC MAROL,
ANDHERI (E), MUMBAI – 400 096.
TEL.: 022 – 4055 1200
FAX : 022 – 6693 8457, 2829 2146
EMAIL : investors@renjewellery.com
WEB : www.renjewellery.com

WORKS

- PLOT NO. – 36A & 37, SEEPZ – SEZ, ANDHERI (E), MUMBAI – 400 096.
- G - 42, G & J COMPLEX – III, SEEPZ – SEZ, ANDHERI (E), MUMBAI – 400 096.
- UNIT NO. – 156, SDF-V, SEEPZ – SEZ, ANDHERI (E), MUMBAI – 400 096.
- GJ -10, SDF-VII, SEEPZ – SEZ, ANDHERI (E), MUMBAI - 400 096.
- UNIT NO. 41 & 44, SDF-II, SEEPZ – SEZ, ANDHERI (E), MUMBAI – 400 096.
- PLOT NO. 2302, HILL DRIVE, TALAJA ROAD, BHAVNAGAR – 364 002.(GUJARAT)

REGISTRAR & TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.
C-13, PANNALAL SILK MILLS COMPOUND,
L.B.S. MARG, BHANDUP, MUMBAI - 400 078.
TEL. : 022-2594 6970 FAX : 022-2596 2691
EMAIL : rnt.helpdesk@linkintime.co.in
WEB : www.linkintime.co.in



The Company

Renaissance – the name brings with it an ideology of a 'new beginning' that is accompanied by clarity in thought and focus on approach. These are clearly responsible for the leadership status the company has earned in an exceptionally short period of time. Innovation in design, quality in manufacturing, efficiency in process and timeliness in delivery are attributes that has been consciously inculcated and nurtured carefully at Renaissance.

Facilities

The company has an expansive manufacturing set-up of over 130,000 sq. ft spread across 6 manufacturing facilities that are manned by 3000 plus skilled employees. This set-up allows a production of close to 2 million pieces per annum with flexibility for convenient expansion.

Products

Our product profile includes rings, earrings, pendants, bracelets, necklaces, chains etc. which are manufactured using polished diamonds, precious and other semi-precious stones which are set in precious metals like gold, platinum and silver.

Innovation and Design

Our ability to consistently produce over 650 quality models a month – a result of the latest techniques and technologies, well executed by a team of over 45 qualified and experienced designers and over 60 skilled model makers – continues to be a big strength.

Technology & Synchronized Operations

The large scale production is well supported by latest in technology – state-of-the-art production facilities. The nimble footed approach assists in convenient adoption of the latest in technology that helps sustain the position of distinct leadership.

A result of diverse experience, culled over decades, is a totally synchronized business process which well fathoms market requirements and trends and then translates the same into an efficient manufacturing process. A custom ERP solution further empowers the company to effectively monitor the production process, right from timely inventories to timely dispatches including an online order tracking facility.

Corporate Social Responsibility

Renaissance is conscious about interdependence of economic, social and environmental interests and fully recognizes its Social & Environmental responsibility – it is something that the company would like to shoulder for the impact of its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. With this belief and vision, Renaissance Jewellery founded Renaissance Foundation. The charter of the foundation is to address issues related to - Betterment of Healthcare Infrastructure, 'Child Education', Extending a helping hand to the aged.

Small initiatives for a bigger cause...with a promise for more!

A significant amount of work has already been done in this sector. Donating medical equipment, subsidizing diagnostic costs, organizing blood donation and medical camps for the betterment of the society are few of its activities.

- The Foundation donated five Artificial Kidney Dialysis (AKD) machines, Subsidized 8500 dialysis every year and sponsored free dialysis for the extremely needy.
- The pledge to healthcare is furthered by way of the Mammography equipment donation, where patients can avail the check up facility at half the price.
- The foundation donated a 'Mobile Clinic for Cancer Detection' equipped with Colpo-scope and Oral Endoscope. This is used to conduct regular detection camps in rural areas, identify and facilitate early care and treatment, conduct awareness and education programmes and also offer tele-medicine.



The road ahead would see ambitious projects as setting up hostels for needy and deserving students, as well as sustained activities relating to 'child education' and 'helping the aged'.

Environment & Industrial Safety

'Productive Working' in true sense should cover aspects beyond 'business-related' productivity. At Renaissance Jewellery, the definition is far more holistic, encompassing and beyond legal compulsions. Safety, health and environmental protection for employees, society and the environment continue to be a corporate priority.

Rain Water Harvesting & Recycling

- At Renaissance, rain water is collected from terraces and stored in overhead tanks for use. Wherever possible water is recollected & re-cycled for flushing purposes.
- By using the rotary burnout furnace, the manufacturing division has been able to save significantly on power consumption.
- The Gold Recovery plant with the latest technique has been installed at the refinery, which results in a healthy and clean working atmosphere. It has also resulted in reduced power consumption for suction fumes.

Other initiatives

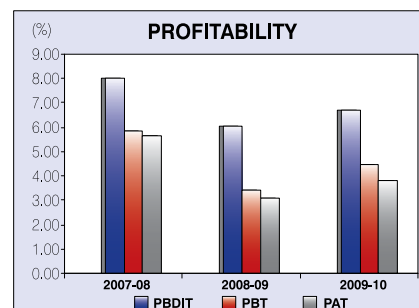
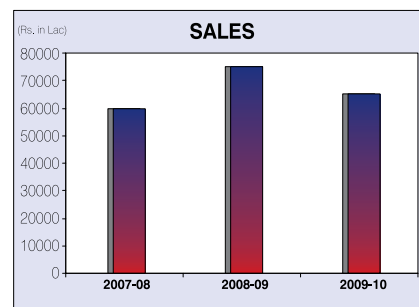
- The entire premises, use only CFL lighting, a small effort for a bigger cause - to reduce the carbon footprint.
- Effluents generated due to manufacturing steps are treated properly through effective processes before being discharged into the waste stream.
- On-going process reviews to reduce the energy consumption, increase process efficiency, minimize waste generated, and conserve non-renewable and renewable natural resources.



FIVE YEARS AT A GLANCE (CONSOLIDATED)

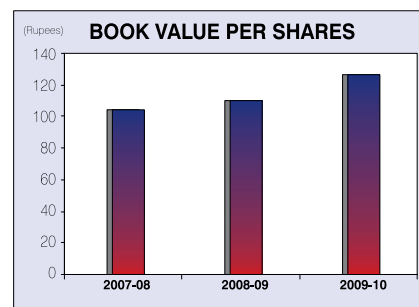
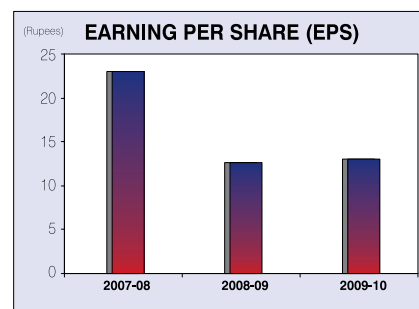
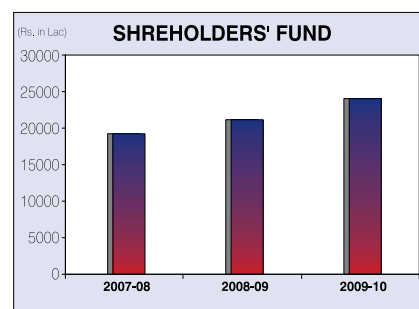
(Rs. Lacs)

	2009-10	2008-09	2007-08	2006-07	2005-06
PROFIT & LOSS A/C					
Sales	65348	75096	59568	44375	31625
PBIDT	4358	4515	4757	3579	2182
PAT	2482	2339	3362	2543	1472
SHAREHOLDERS' FUND					
Equity Share Capital	1908	1908	1836	652	652
Reserves & Surplus	22136	19163	17364	8022	5479
Less : Misc. Expd.	0	1	0	87	30
TOTAL	24044	21070	19200	8587	6101
LOAN FUND					
Debt-Equity Ratio	0.58:1	0.83:1	0.81:1	1.05:1	0.96:1
Return on Net Worth (%)	10.32	11.10	17.51	29.61	24.13
Earning per share (Rs.)	13.01	12.61	22.97	19.51	22.58
Dividend per share (Rs.)	2.00 (Proposed)	1.50	1.50	0	0



RJL PERFORMANCE Vis-a-vis THE SENSEX

Year	SENSEX	Growth	Book Value/Share	Growth	Difference
1999	3326		6.90		
2000	5001	50.36%	15.47	124.14%	73.78%
2001	3604	-27.93%	20.46	32.26%	60.20%
2002	3469	-3.75%	22.78	11.35%	15.10%
2003	3049	-12.11%	25.56	12.19%	24.30%
2004	5591	83.37%	29.89	16.95%	-66.42%
2005	6493	16.13%	35.12	17.50%	1.37%
2006	11280	73.73%	46.44	32.20%	-41.52%
2007	13072	15.89%	66.55	43.31%	27.42%
2008	15644	19.68%	104.58	57.15%	37.47%
2009	9709	-37.94%	110.44	5.60%	43.54%
2010	17528	80.53%	128.36	16.23%	-64.31%
	527.05%		1859.87%		
	CAGR 16%		CAGR 30%		



The above table evaluates our managerial performance verses SENSEX. We have used change in per share Book Value instead of change in our stock price because year-to-year market prices can be extraordinarily erratic. Even evaluations covering as long as a decade can be greatly distorted by foolishly high or low prices at the beginning or end of the measurement period. Thus ideal standard for measuring yearly progress is change in Renaissance's per-share book value.

Note: The SENSEX numbers are pre-tax whereas the Renaissance numbers are post-tax. Both these numbers are exclusive of dividend.



NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Members of Renaissance Jewellery Ltd. will be held on **Wednesday, August 25, 2010 at 3:30 PM** at Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari - Vikroli Link Road, Andheri (E), Mumbai - 400 093 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2010, the Profit and Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To declare dividend for the financial year ended March 31, 2010.
3. To appoint a director in place of Mr. Veerkumar Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Vishwas Mehendale, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. J. K. Shah & Co., Chartered Accountants, Mumbai, the retiring Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.
3. The dividend, if declared at the meeting, shall be paid within the stipulated period, to those members of the Company whose names appear on the Register of Members of the Company as on August 25, 2010. In respect of shares held in Electronic form, the dividend will be paid to the beneficial owners as per details furnished by the Depositories for this purpose at the close of business hours on August 16, 2010.
4. The Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all listed companies to mandatorily use the National Electronic Clearing Services (NECS) facility wherever possible for dividend payment to the members. In view of this stipulation the Company proposes to implement the NECS facility. Members are requested to provide the NECS mandate for crediting the future dividend payment directly to their respective bank accounts. The Company shall be able to co-ordinate with the bankers only on receipt of the necessary information. The main information required therein is the type of account, name of the bank and the account number. It should be signed by all the Members, as per the specimen signature recorded with the Company.
5. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to the Company's Registrar & Transfer Agents, M/s. Link Intime India Pvt. Ltd. at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai: 400 078.
6. Members holding shares in physical segment are requested to immediately notify change in their address/status, if any, to the Company's Registrar & Transfer Agents, M/s. Link Intime India Pvt. Ltd., at the address mentioned at item No. 5 above.
7. Members who would like to ask any questions on the accounts are requested to send their questions to the Registered Office of the Company at least 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
8. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
9. The Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.

By order of the Board

Renaissance Jewellery Limited

Sumit Shah
Managing Director

Mumbai, May 27, 2010

NOTES

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him and such proxies need not be a member of the Company.**
 In order to be valid, proxy forms duly completed in all respects, should be lodged with the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from August 17, 2010 to August 25, 2010 (both days inclusive).





INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 IV (G) OF THE LISTING AGREEMENT:

Details of Directors Seeking Re-appointment at the Annual General Meeting

Particulars	Mr. Veerkumar Shah	Mr. Vishwas Mehendale
Date of Birth	01/05/1945	17/09/1957
Date of Appointment	01/02/2006	03/04/2007
Qualifications	B. Com. & CA	B. Com., LL.B. & CA
Expertise in specific functional area	He is a practicing Chartered Accountant having vast experience in the field of Accounts & Audit, Finance, and Taxation.	He is a practicing Chartered Accountant having vast experience in the field of Accounts & Audit, Finance and Taxation.
Directorships held in other Public companies (excluding foreign companies & Section 25 companies)	Kotak Chemicals Limited	Indo Amines Limited
Memberships/Chairmanships of committees of other Public Limited companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	NIL	NIL
Number of Equity shares held in the Company	64	NIL

By order of the Board

Renaissance Jewellery Limited

Sumit Shah
Managing Director

Mumbai, May 27, 2010



DIRECTORS' REPORT

Dear Members,

The Directors take great pleasure in presenting the 21st report on the business and operations of your Company along with the Annual Report and Audited Financial Statements for the Financial Year 2009-10.

FINANCIAL HIGHLIGHTS

Your Company earned a Profit Before Tax (PBT) of Rs. 260 Millions, a growth of 22.64% as compared to PBT of Rs. 212 Millions in the previous year.

Highlights of the financial performance are as follows:

(Rs. in Million)

	2009-10	2008-09
Sales	4,753	6,694
Gross Profit	477	455
PBID	382	381
Less: Interest	81	132
Less: Depreciation	41	37
PBT	260	212
Provision for Tax	26	9
PAT	234	203
Add: Balance brought forward from P.Y.	1,151	997
Profit available for appropriation	1,385	1,200
Appropriations:		
Transfer to Reserve Fund		
General Reserve	18	15
Dividend on Equity Shares	38	29
Corporate Dividend Tax	6	5
Balance carried forward	1,323	1,151

A detailed analysis of the financials is given in the Management's Discussion and Analysis report that forms part of this Annual Report.

DIVIDEND

The Directors recommend a dividend of 20% i.e. Rs. 2/- per share, subject to approval of the shareholders at the ensuing 21st Annual General Meeting. The total outgo on account of dividend and tax thereon amounts to Rs. 44,643,981/-.

The dividend, if declared at the meeting, shall be paid within the stipulated period, to those members of the Company whose names appear on the Register of Members of the

Company as on August 25, 2010. In respect of shares held in Electronic form, the dividend will be paid to the beneficial owners as per details furnished by the Depositories for this purpose at the close of business hours on August 17, 2010.

SUBSIDIARIES

During the financial year under review, your Company has formed one subsidiary company viz. Verigold Jewellery (UK) Ltd. at London, United Kingdom to access & explore UK & European Market.

Also the US based subsidiary, Renaissance Jewelry New York, Inc., has entered into a Joint venture with Adrienne Designs, Santa Ana, California viz. Renaissance Adrienne LLC for distribution of gold chains & other Jewellery products.

Hence as on March 31, 2010, your Company had two foreign subsidiaries viz. Renaissance Jewelry New York, Inc. (RJNY) & Verigold Jewellery (UK) Ltd., London and one step-down subsidiary viz. Renaissance Adrienne LLC, California.

Pursuant to Section 212 of the Companies Act, 1956, the Company is required to attach to its Annual Report the Directors' Report and financial statements of its subsidiaries. The Company had applied to the Central Government of India for an exemption from attaching the Directors' Report, Balance Sheet and Profit and Loss Account of its subsidiaries to the Annual Report 2009-10. The Central Government, vide its letter No. 47/581/2010-CL-III dated June 8, 2010, has granted the exemption for the year ended March 31, 2010. Accordingly, the financial statements of the subsidiaries of the Company are not attached to the Annual Report of the Company. The Company undertakes that the financial statements of the subsidiary companies for the year ended March 31, 2010 will be made available to the members on request at the Registered Office/Corporate office of the Company and same will be kept open for inspection by any member during the office hours of the Company.

SHARE CAPITAL

As a result of amalgamation of Verigold Fine Jewellery Private Limited and L. J. Creations Private Limited with the Company, the Authorised share capital of the Company stands increased to Rs. 27,00,00,000/- (Rupees Twenty Seven Crores only) divided into Rs. 2,70,00,000/- (Two crore Seventy Lacs) Equity shares of Rs. 10/- (Rupees Ten only) each.

THE EMPLOYEE STOCK PURCHASE SCHEME

The Company has, in accordance with the Employee Stock Purchase Scheme as approved by the members at the 19th Annual General Meeting, issued 720,000 (Seven Lac Twenty Thousand) equity shares @ of Rs. 50/- per share to





the RJL Employee Welfare Trust for onward offering the same to the recommended employees.

The ESPS Compensation Committee at its meeting held on July 30, 2009 has considered the onward offering of ESPS shares to the recommended employees.

The Committee after considering the eligibility criteria under the Scheme offered these shares to certain employees at the rate of Rs. 10/- per share with premium of Rs. 40/- per share.

Thus, during the financial year under consideration 6,17,500 ESPS shares were offered to the recommended employees of the Company and its subsidiary, as per the details given below:

Name of Employee	Designation	No. of Shares	% of shares issued during the year	Consideration received/receivable		
				Sep. 1, 2010	Sep. 1, 2011	Sep. 1, 2012
(A) Renaissance Jewellery Ltd.				Amount (Rs.)		
Mr. Neville Tata	Executive Director	1,25,000	20.24	2,083,350	2,083,350	2,083,300
Mr. Nikesh Shah	VP – Production	1,25,000	20.24	2,083,350	2,083,350	2,083,300
Mr. Parag Shah	VP – Operations	50,000	8.10	833,350	833,350	833,300
Mr. Sandeep Shah	VP – Procurement	50,000	8.10	833,350	833,350	833,300
Sub Total (A)		3,50,000	56.68			
(B) Renaissance Jewellery New York Inc.						
Mr. Nilesh Shah	Chief Financial Officer	75,000	12.15	1,250,000	1,250,000	1,250,000
Mr. Avi Levy	President – Sales	1,25,000	20.24	2,083,350	2,083,350	2,083,300
Mr. Samir Sanghani	Sr. VP – Sales	37,500	6.07	625,000	625,000	625,000
Ms. Holly White	VP – Sales	15,000	2.43	250,000	250,000	250,000
Ms. Robin Rotstein	VP – Merchandising	15,000	2.43	250,000	250,000	250,000
Sub Total (B)		2,67,500	43.32			
Total (A) + (B)		6,17,500	100.00			

The Company has not issued shares equal to or exceeding 1% of the issued capital to any of the identified employee during the financial year under consideration.

Diluted Earning Per Share (EPS) pursuant to issuance of shares under ESPS: Rs.12.28.

AWARDS/RECOGNITION

Your Company has consistently received wide recognition for Quality, Designs, Leadership and Achievements.

Your Company has been honored with 'Emerging India Awards 2009', the India's SME sector award jointly organized by ICICI Bank and CNBC TV18 to recognize and reward India's most globally competitive SMEs whose business practices are at par with global giants.

CORPORATE GOVERNANCE

The Company has taken appropriate steps and measures to comply with all the applicable provisions of Clause 49 and Section 292A of the Companies Act, 1956. A separate report on Corporate Governance, along with a certificate of Statutory Auditors of the Company, is annexed herewith. A certificate from the Managing Director and CFO of the Company confirming internal controls and checks pertaining to financial statements for the year ended March 31, 2010 was placed before the Board of Directors and the Board has noted the same. A list of the committees of the Board and names of their members and the scope of each of these committees and other related information is detailed in the enclosed Corporate Governance Report.

CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the listing agreement with Stock Exchanges, the cash flow statement for the year ended March 31, 2010 is annexed hereto.

CONSOLIDATED ACCOUNTS

In accordance with the requirements of Accounting Standards AS-21 prescribed by the Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its subsidiary is annexed to this Report.

LISTING

At present 19,079,440 Equity Shares of the Company are listed on the BSE and NSE. The Company has paid the applicable listing fees to these Stock Exchanges for the financial year 2010-11. The Company's shares are tradable compulsorily in electronic form and the Company has established connectivity with both the depositories, i.e. Central Depository Services (India) Ltd. (CDSL) & National Securities Depository Ltd. (NSDL) In view of the numerous advantages offered by the depository system, members are requested to avail of the facility of dematerialization of the Company's shares on either of the Depositories as aforesaid.

HUMAN RESOURCES

Employees are the key assets of the Company and the Company has created a healthy and productive work environment which encourages excellence. Your Company has put in place a scalable requirement and human resource management process, which enables it to attract and retain employees of the high caliber. The Company continuously invests in training staff in the latest technology.





DIRECTORS

Mr. Pramod Lele, Independent Director of the Company resigned from the Board of your Company, w.e.f. April 15, 2010. The Board places on record its appreciation for the valuable services rendered by Mr. Lele during his tenure as the member of the Board and its Committees.

Mr. Arun Sathe was appointed as an Independent Director to fill the casual vacancy caused by resignation of Mr. Pramod Lele, at the Board Meeting held on May 27, 2010.

Mr. Veerkumar Shah and Mr. Vishwas Mehendale retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

Brief resume of the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold Directorships and Membership/Chairmanship of Board Committees, as stipulated under the Listing Agreement with the Stock Exchanges are provided in the Notice forming part of this Annual Report.

AUDITORS

M/s J. K. Shah & Co. the present Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. The Board recommends their re-appointment.

FIXED DEPOSITS

During the financial year 2009-10, the Company has not accepted any fixed deposit within the meaning of Section 58A of the Companies Act, 1956, and as such, no amount of principal or interest was outstanding as of the date of the Balance Sheet.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished hereunder:

(a) Conservation of energy

The operations of the Company are not energy-intensive. The Company, however, takes measures to reduce and optimize energy consumption by using energy efficient computers, CFL bulbs and ballast-based lighting. Further, offices have been designed to maximize the use of ambient lighting while conserving the air conditioning. The expense on power in relation to income is nominal and under control.

(b) Technology absorption

Research & Development (R&D): Since businesses and technologies are changing constantly, investment in research and development activities is of paramount importance. Your Company lays a great emphasis on knowledge management and has an institutionalized process for absorption of new technologies. Your Company continued its focus on quality up-gradation product enhancements.

Benefits derived as a result of the above R & D for better productivity and cost reduction:

- Enhanced productivity and reduction in production lead time;
- Total traceability of each piece during entire manufacturing process through customized software.
- Reduction in re-work and rejection in the manufacturing process.
- Enhancement of product spectrum.
- Improvement in quality of existing products.

Future plan of action: Research and Development has been considered as a continuous process. Steps have been taken for further development of new products of superior quality, up-gradation of existing product designs to improve the quality and reduction in rejections.

Expenditure on R & D: As per the established Accounting Policy Expenditure incurred on Research & Development remains merged with the respective heads.

Technology Absorption, Adaption & Innovation:

The Company continuously monitors and keep track of technological up-gradation taking place in other countries in the field of Jewellery manufacturing and the same are reviewed and considered for implementation.

(c) Foreign exchange earnings and outgo:

(Rs. millions)

	F.Y. 2009-10	F.Y. 2008-09
Foreign Exchange Earnings	4746.85	6687.56
Foreign Exchange Outgo	2236.77	2918.71

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 of the Companies Act, the Directors hereby confirm that:

- In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and





estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a 'going concern' basis.

EMPLOYEE PARTICULARS

The Company does not have any employee whose particulars are required to be disclosed pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and under Section 217(1)(e) of the said Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

CAUTIONARY STATEMENT

Statements in this Directors Report and Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable Securities laws and regulations. Actual results could differ materially from those expressed or implied due to risk of uncertainties associated with our expectations with respect to, but not limited to, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business, technological changes, exposure to market risks, general economic and

political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, the performance of the financial markets in India and globally and raw material availability and prices, demand & pricing in the Company's principal markets, and other incidental factors.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank the Company's customers, members, vendors and bankers for their continued support during the year. Your Directors also wish to thank the Government of India and its various agencies, the Santacruz Electronics Export Processing Zone, the Customs and Excise department, the Reserve Bank of India, the State Governments of Maharashtra, and other local Government Bodies for their support, and look forward to their continued support in the future.

Your Directors also place on record their appreciation for the excellent contribution made by all employees of the Company through their commitment, competence, co-operation and diligence to duty in achieving consistent growth for the Company.

For and on behalf of the Board,

Sumit Shah
Managing Director

Hitesh Shah
Executive Director

Mumbai, May 27, 2010



MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS OF THE COMPANY

We are in the business of design, manufacture and sale of studded gold, platinum and silver jewellery and are primarily focused on international markets including the USA. We have been in the studded jewellery business for over a decade and also started manufacturing chains since this year through our step down subsidiary in US. We operate through five manufacturing units of which four units are located at SEEPZ-SEZ at Mumbai and one 100% EOU unit at Bhavnagar in Gujarat. During the financial year under review the Company has added one more unit at SEEPZ-SEZ. Our Company has its wholly owned Subsidiaries in USA and UK.

Our product profile includes rings, earrings, pendants, bracelets, necklaces, chains etc. which are manufactured using polished diamonds, precious and other semi precious stones which are set in precious metals like gold, platinum and silver.

The Company has been honored with 'Emerging India Awards 2009', the India's SME sector award jointly organized by ICICI Bank and CNBC TV18 to recognize and reward India's most globally competitive SMEs whose business practices are at par with global giants.

FINANCIAL PERFORMANCE

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account along with other financial statements.

Financial Highlights are as under:

Your Company has achieved a turnover of Rs. 4753 million and earned a Net Profit of Rs. 234 million as compared to turnover of Rs. 6,694 million and earned a Net Profit of Rs. 203 million in preceding financial year. Though the Revenue decreased by 29% there is 15% growth in Net Profit.. Earnings Before Interest, Tax and Depreciation (EBITDA) is Rs. 382 million as compared to Rs. 381 million in preceding financial year. Profit Before Tax (PBT) was Rs. 260 millions as compared to Rs. 212 millions for the previous year.

The sales decreased mainly due to change in the product mix of the Company. The proportion of silver products has increased and that of gold has gone down. Because of this the average sale price has gone down, but as the silver products have better profit margins, the overall profitability has shown growth. One of the reasons for increased profits is our exquisite designs, stringent quality control norms, outstanding customer relationship and effective cost cutting measures adopted by the management.

PAT to sales ratio was 4.93% compared to 3.04% in the previous year.

The total operating costs excluding depreciation and interest aggregated to Rs. 4,447 millions compared to Rs. 6,323 millions during the previous year. The decrease is mainly due to decrease in consumption of raw material and overall effective inventory management.

Earnings per equity share (EPS) were Rs. 12.28 for the year as against the EPS of Rs. 10.97 for the previous year.

Provisions for Income Tax and deferred tax at Rs. 25.63 millions has been made as per the Income Tax Act 1961 and in accordance with the provision of Accounting Standard AS-22 relating to Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India, as against Rs. 8.93 millions during the previous year.

On a consolidated basis, your Company has achieved a turnover of Rs. 6535 million and earned a net profit of Rs. 248 million as compared to turnover of Rs. 7510 million and earned a net profit of Rs. 234 million in preceding financial year. Though the consolidated revenue decreased by 13% there is 6% growth in net profit. Earnings Before Interest, Tax and Depreciation (EBITDA) is Rs. 436 million as compared to Rs. 451 million in preceding financial year. Profit Before Tax (PBT) was Rs. 293 millions as compared to Rs. 256 millions for the previous year.

MACRO ECONOMIC SCENARIO

Year 2009 started with the global economic slowdown and ended with resurgence in the Indian economy. The global recovery phase is still fragile, as economies of developed countries, particularly USA and Europe, continue to be beset with the problems of high unemployment, low consumer spending etc. Besides, the recent crisis in Portugal, Ireland, Spain and Greece indicate that the road to recovery is not a smooth ride and that normalcy is still some time away.

The economic environment in India was impacted as GDP growth fell from 9%+ to 5-6%. The outlook of the Indian economy turned positive towards the end of 2009, driven by the uptrend in industrial production and recuperating consumption and investment demand. The Reserve Bank of India has projected the final real GDP growth for 2009-10 in the range of 7.2 per cent to 7.5 per cent with a forecast of 8.0 per cent for 2010-11.

INDUSTRY OVERVIEW

Global Gems and Jewellery Industry

Sale of Jewellery is concentrated in eight key world markets, which accounts for about 75% of the total world sales of Gems and Jewellery. The US is the world biggest market which accounts for approximately 31% of the total sales. The





share of India and China has steadily shown an increase and currently account for 8.3 and 8.9 percent of world sales respectively.

Indian Gems and Jewellery Industry

Indian Jewellery Industry has advantage because of availability of highly skilled, low-cost labor which enables India to design and make high volumes of exquisite Jewellery at relatively low costs.

Export – Overview

- Total exports increased by 20%, in the fiscal year 2009 over 2008. Exports rose to US\$ 28.4 billion in FY10 from US\$ 24.5 billion in FY09, registering a 16 per cent growth in the total gem and Jewellery exports, as per a release by the Gem and Jewellery Export Promotion Council.
- The provisional figures for export of gold Jewellery in April 2010 was US\$ 401.70 million representing a growth of 20.46 per cent (growth of 7.08 per cent in term of rupee) as compared to US\$ 333.46 million in April 2009.
- UAE is the main export destination accounting for 31% of the total exports followed by Hong Kong at 25% and US at 20% in 2008.
- G&J sector contributed 15% of the country’s total merchandise export in 2008-09.
- Exports of gems and Jewellery from India primarily take place from units based in the Special Economic Zones (SEZs) and Export Promotion Zones (EPZs)

Import – Overview

- India’s Gems and Jewellery Industry is highly dependent on the raw material that is imported. These include: Rough diamonds, Recycled gold bars and gold bars
- Minimal mining is done within the country
- With limited domestic sources of diamond roughs and gold, India imports a large portion of its raw material from countries like the US
- However, the industry and Government have sought to mitigate the risks by trying to directly source raw materials from the producing countries.

The exports of gems and Jewellery from India are mainly from the Mumbai port which constitutes 84.4% of the total exports. Mumbai SEEPZ which is a notified SEZ, contributes to around 8.78% of the sale from the Mumbai port.

With various government initiatives in recent years, export of gold jewellery has increased in recent years. India’s export of gold jewellery has grown at CAGR of 25% over the last 8 years this increase is attributable to healthy growth in demand in key markets especially that of the US.

US & EU GEMS AND JEWELLERY MARKET

The US and EU together account for substantial portion of India’s total gems and jewellery exports. The sector contributed 13% to the country’s total merchandise export of about USD 186 billion in the last financial year. The gems and jewellery market, which is pegged at USD 16 billion, is expected to touch USD 30 billion by 2014.

USA is the world’s largest jewellery market - the total US jewellery sales, including watches and fashion. In the US, Christmas, Thanksgiving, Valentine’s Day and Mother’s Day are the important jewellery-buying occasions. The US jewellery market has grown at a compound annual growth rate of 5.7% over the last 25 years. The US retail jewellery industry is competitive and fragmented. The US retail jewellery market includes formats such as department stores, discount outlets, television home shopping, internet retailers and general merchandise, apparel and accessory stores.

The US diamond jewellery sales are believed to account for about 50% of worldwide diamond jewellery sales. The US Jewellery market is divided on the basis of store type into two basic segments i.e. Major retail chains and independent midrange retailers. On the basis of data, around 43.10% and 56.90% of the jewellery market in the US is catered by the Major retail chains and independent retailers respectively.

(Source: Global jewellery sales & The Indian Gems and Jewellery Sector, July 2006).

OUTLOOK

The Company, due to its watchful management, use of best & latest technology and its capability to develop innovative & exquisite designs, is optimistic about outperforming the Indian industry.

Growth Drivers

In spite of the downturn the Company has managed to sustain a reasonable level of turnover and a growth in net profits due to its ability to introduce trendy and exclusive designs and direct distribution to retailers through our subsidiary in US & UK.

The Company intends to grow its market share further because of above stated advantages and also because:

- The US subsidiary of the Company has recently acquired business of Adrienne Designs, Santa Ana, California through its subsidiary 'Renaissance Adrienne LLC. Adrienne had a client-base of 1000 retailers which ultimately will help the Company to improve its direct distribution of chains and other studded jewellery products.
- The Company is actively considering few acquisitions of retail store chains in Europe.



RISK & CONCERN

Frequent changes in gold prices affect consumer buying patterns and pricing strategies of players. Gold price fluctuations have created a negative impact on the pricing strategies of the Jewellery Manufacturers. This has contributed to a decline in gold jewellery demand worldwide. India's gold jewellery exports grew by only 8.07% during FY '08. With recessionary trends setting in to the US and other countries, major players found it difficult to meet profit margins due to the fluctuating prices.

High dependence on raw materials from foreign countries increases the production costs. In the manufacturing of G&J, raw materials constitute around 90% of production costs. India's gems and jewellery industry is highly dependent on overseas mining and trading centers for its raw material supplies and security of supplies is an important concern for the players. The Government is looking to minimize these risks by directly purchasing raw materials from the producing countries.

Increasing efforts to climb the value chain by the neighbouring countries have posed a threat. China is fast emerging as a major exporter of cut and polished diamonds and a significant competitor for the Indian G&J industry with cheap labor, modern and automated factories

We are subject to international market and regulatory risks. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate and/or seek to sell our products. Any such imposition of trade barriers may have a material

adverse effect on our financial condition and results of operations.

Currently the Company's total turnover is from exports in US Dollars. Any fluctuation in the exchange rate would have an impact on the Company's profitability. We believe that we have a natural hedge on account of imports and our working capital funding being in US Dollars.

Your company constantly monitors these risks and keeps abreast of latest raw material alternatives and developing new vendors for its various requirements of raw materials.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well structured internal control mechanism and the same is monitored by the Internal Audit conducted by well known Audit firms, which independently reviews and strengthens the control measures. The Internal Audit team regularly briefs the Management and the Audit Committee on their findings and also on the steps to be taken with regard to deviation, if any. The Company has adequate IT security for data protection and continues updating it to keep it abreast of developments across the globe. There have been no reports or instances of any breach of security in the sensitive database. The Company being a player in the global supply chain, is a certified partner in C-TPAT. It is the Customs-Trade Partnership against Terrorism. The goal & objective of the C-TPAT is to improve supply chain security worldwide. The Company follows the security criteria, best practices and implementation procedures stipulated under C-TPAT.





REPORT ON CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as per the format prescribed by SEBI & incorporated in Clause 49 of the listing agreements with the Stock Exchanges, the Company's policies on Corporate Governance and compliance thereof in respect of specific areas, as applicable, for the year ended March 31, 2010 is set out below for information of shareholders and investors of the Company.

THE COMPANY'S GOVERNANCE PHILOSOPHY

Being an export oriented Company the International standards of Corporate Governance have been infused into the Company since its inception and being reviewed from time to time. The Company has worked with a philosophy and mission of good governance in every field. The Company believes that the Corporate Governance code will enhance the growth of benefits to all the stakeholders. The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings with the shareholders, employees, the Government and other parties. So far as compliance of Clause 49 of the Listing Agreement with the Stock Exchanges is concerned, the Company has complied in all material respects with the requirements of Corporate Governance specified in the Listing Agreement with the Stock Exchanges.

BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders.

Composition

The Board of Directors of the Company (hereinafter referred as the Board) comprises a combination of Executive and Non-Executive Directors. The Board is headed by a Non-Executive Chairman. The composition of Board is in line with requirement of Clause 49 of the Listing Agreement, which says at least one half of the Board members should be 'Non-Executive Directors' and at least one third of the Board members should be 'Independent Directors'. The Independent Directors do not have any pecuniary relationship or transactions with the Company, the promoters or the management, which may affect their judgment in any manner. The Directors are eminently qualified and experienced professionals in business, finance and corporate management.

The policy formulation, evaluation of performance and the control function vest with the Board, while the Board Committees oversee operational issues. The Board meets at least once in a quarter to consider amongst other business,

the quarterly performance of the Company and financial results.

The Following is the composition of the Board as on March 31, 2010

Name of the Director	Business Relationship	Executive/ Non-Executive/ Independent
Niranjan Shah	Chairman	Promoter, Non-Executive
Sumit Shah	Managing Director	Promoter, Executive
Hitesh Shah	Executive Director	Promoter, Executive
Neville Tata	Executive Director	Executive
Veer Kumar Shah	Director	Independent, Non-Executive
Vishwas Mehendale	Director	Independent, Non-Executive
Pramod Lele*	Director	Independent, Non-Executive
Anil Chopra	Director	Independent, Non-Executive
Composition of the Board	Independent 50%	Non-Executive 63%

* Resigned w.e.f. April 15, 2010.

Mr. Arun Sathe was appointed as an Independent Director, w.e.f. May 27, 2010 to fill the casual vacancy created by resignation of Mr. Pramod Lele.

Mr. Veer Kumar Shah and Mr. Vishwas Mehendale retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The information prescribed under the Listing Agreement on Directors seeking appointment and re-appointment to be sent to the shareholders is stated in the Notice of the Annual General Meeting.

Remuneration of Directors

Remuneration of Executive Directors is determined by the Remuneration Committee comprising only Independent & Non-Executive Directors. The recommendations of the Remuneration Committee are considered and approved by the Board, subject to the approval of the Shareholders.

Non-Executive Directors do not receive any salary or commission and receive only Sitting Fees. Sitting Fees constitute fees paid to Non-Executive Directors for attending Board and Committee Meetings. At the meeting held on April 2, 2007, the Board of Directors has passed a Resolution



whereby the sitting fees payable to a Director for attending any Meeting of the Board has been fixed at Rs. 10,000/- per Director per meeting and that for any Committee meeting is Rs. 5,000/- per Director per meeting.

Details of Remuneration Paid to Directors during the F.Y. ended March 31, 2010

(Rs. In Lac)

Name of Directors	Category	Sitting Fees	Salary	PF & Superannuation Fund	Total
Niranjan Shah	Non - Exe. Chairman	0.40	—	—	0.40
Sumit Shah	Executive Director	—	12.00	0.09	12.09
Hitesh Shah	Executive Director	—	9.00	0.09	9.09
Neville Tata	Executive Director	—	21.60	0.09	21.69
Veer Kumar Shah	Independent Director	1.00	—	—	1.00
Vishwas Mehendale	Independent Director	0.75	—	—	0.75
Pramod Lele	Independent Director	0.65	—	—	0.65
Anil Chopra	Independent Director	0.80	—	—	0.80

The total amount of remuneration to Executive Directors as indicated above does not include share of gratuity as under group gratuity scheme, separate amount for each person is not ascertainable.

The Salary payable to the Managing Director and Executive Directors is reviewed by the Board of Directors annually and is based on the performance of the individual and the Company.

During the financial year under review,

- the remuneration of Mr. Hitesh Shah was increased from Rs. 75,000/- per month to Rs. 1,25,000/- per month, which is within the terms of resolution passed by the General Body at Annual General Meeting held on August 28, 2009. This increase in his remuneration is effective April 1, 2010 for the unexpired portion of his current term of appointment i.e. up to December 31, 2013.
- 1,25,000 Equity Shares have been offered to Mr. Neville Tata, Executive Director, under the Employee Stock Purchase Scheme, approved by the members at the 19th Annual General Meeting.

Details of Equity Shares held by the Directors as on March 31, 2010

Name of the Directors	No. of Equity Shares held	% Holding
Niranjan Shah	5214080	27.33
Sumit Shah	4171120	21.86
Hitesh Shah	1303520	6.83
Neville Tata	0	0
Veer Kumar Shah	64	0.0003
Vishwas Mehendale	0	0
Pramod Lele	0	0
Anil Chopra	0	0

Meetings and Attendance

During the F. Y. 2009-10 five Board Meetings were held at the registered office of the Company as follows and the gap between any two Board Meetings did not exceed four months.

Sr. No.	Date	Board Strength	No. of Directors Present
1	19/06/2009	8	8
2	29/07/2009	8	7
3	26/08/2009	8	8
4	30/10/2009	8	7
5	28/01/2010	8	6

Attendance of Directors at the Board meetings and at the Twentieth Annual General Meeting

Name of the Directors	No. of Board Meetings attended	Attendance at last AGM
Niranjan Shah	4	Yes
Sumit Shah	4	Yes
Hitesh Shah	5	Yes
Neville Tata	5	Yes
Veer Kumar Shah	5	Yes
Vishwas Mehendale	5	Yes
Pramod Lele	3	Yes
Anil Chopra	5	Yes

Directorships/Committee Memberships of Directors in other companies as on March 31, 2010

Name of the Directors	No. of Directorships in other companies	No. of Committee Memberships in other companies	
		Chairman	Member
Niranjan Shah	2	Nil	Nil
Sumit Shah	2	Nil	Nil
Hitesh Shah	2	Nil	Nil
Neville Tata	Nil	Nil	Nil
Veer Kumar Shah	1	Nil	Nil
Vishwas Mehendale	1	Nil	Nil
Pramod Lele	3	1	2
Anil Chopra	Nil	Nil	Nil

Directorship and Committee Membership/ Chairmanship in foreign companies, private limited companies and companies





registered under Section 25 of the Companies Act, 1956 are excluded.

The above information includes Chairmanship/ Membership in Audit Committee and Shareholders'/Grievances Committee of public limited companies, whether listed or not.

Review of Compliance Report by the Board of Directors

A Compliance Certificate confirming the due compliance with the statutory requirements is placed at the Board Meeting for the review by the Board of Directors. A system of ensuring material compliance with the laws, orders, regulations and other legal requirements concerning the business and affairs of the Company is in place. Instances of non-compliance, if any, are also separately reported to the Board.

Code of Conduct

At the Board Meeting held September 29, 2007, the Board of Directors has approved the Code of Conduct applicable to the Directors and the Senior Management personnel. This code was further amended at Board Meeting held on April 10, 2008. This Code of Conduct is available at Company's website: www.renjewellery.com.

All the Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct. Following is the declaration to that effect signed by the Managing Director of the Company.

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

All the Directors and senior management personnel have, respectively, affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors.

Sumit Shah
Managing Director

Mumbai, May 27, 2010

Insider trading Code

At the Board Meeting held on September 29, 2007, the Board of Directors had approved the Code of Conduct for Prevention of Insider Trading applicable to the Directors and the Senior Management personnel. This code was further amended at Board Meeting held on January 29, 2009 to incorporate the amendments to the SEBI (Prohibition of Insider Trading) Regulations, 1992.

COMMITTEES OF THE BOARD

Currently, there are four Board Committees - The Audit Committee, the Remuneration Committee, the Shareholders'/ Investor Grievances Committee and the ESPS Compensation Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman and the signed minutes are placed for

the information of the Board. The role and composition of these committees, including the number of meetings held during the financial year and the related attendance are provided in the following paragraphs:

AUDIT COMMITTEE

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment and ensures:

- Efficiency and effectiveness of operations, both domestic and overseas;
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

The Role of the Committee includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending to the Board, the appointment, re-appointment and if required the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements before submission to the Board for approval with particular reference to:
 - Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
 - Changes if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of the audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- Reviewing with the management, quarterly financial statement before submission to the board for approval.
- Reviewing with the management the performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department,



reporting structure, coverage and frequency of internal audit.

- Discussion with the internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism, in case same is existing.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Constitution & Composition

The Audit Committee was constituted on March 2, 2006 and the same was reconstituted on April 2, 2007. All the members of Audit Committee are non executive and independent directors. During the financial year under review, Mr. Veerkumar Shah was the Chairman of the Audit Committee. The other members of the Audit Committee were Mr. Pramod Lele and Mr. Vishwas V. Mehendale.

Mr. Pramod Lele, Independent Director of the Company has resigned from the Board as well as membership of this Committee, w.e.f. April 15, 2010.

At the Board Meeting held on May 27, 2010, Mr. Arun Sathe was appointed as an Independent Director and member of this Committee to fill the casual vacancy caused by resignation of Mr. Pramod Lele.

Mr. G. M. Walavalkar, G. M - Legal & Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the financial year ended March 31, 2010, Four Audit Committee meetings were held on 19/06/2009, 29/07/2009, 30/10/2009 and 28/01/2010. The attendance of each Audit Committee member is given hereunder:

Name of the Directors	Number of Meetings attended during the year	Number of Meetings held during the year
Veerkumar Shah	4	4
Vishwas Mehendale	4	4
Pramod Lele	2	4

Attendees

The Executive Directors, the President, the Finance Manager, and the Statutory Auditors and Internal Auditors are normally invited to the Audit Committee meetings.

REMUNERATION COMMITTEE

The Role of the Committee includes the following:

The Remuneration Committee recommends to the board the compensation terms of the executive directors.

Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.

Considering approving and recommending to the Board the changes in designation and increase in salary of the Executive Directors.

Ensuring the remuneration policy is good enough to attract, retain and motivate directors.

Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders.

Constitution & Composition

The Remuneration Committee of the Board of Directors was constituted on March 2, 2006 and was re-constituted on April 2, 2007 to recommend to the Board the remuneration package for managerial persons.

All the members of Remuneration Committee are Non-Executive and Independent Directors. During the financial year under review, Mr. Pramod Lele was the Chairman of the Remuneration Committee. The other members of the Remuneration Committee were Mr. Anil K. Chopra and Mr. Vishwas V. Mehendale.

Mr. Pramod Lele, Independent Director of the Company has resigned from the Board as well as chairmanship of this Committee, w.e.f. April 15, 2010.

At the Board Meeting held on May 27, 2010, Mr. Arun Sathe was appointed as an Independent Director and Chairman of this Committee to fill casual vacancy caused by resignation of Mr. Pramod Lele.

Mr. G. M. Walavalkar, G. M - Legal & Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the year ended March 31, 2010, no Remuneration Committee meetings were held.

THE SHAREHOLDERS' / INVESTOR GRIEVANCE COMMITTEE:

The scope and function of this committee is to consider and review shareholders'/investors' grievances and complaints and to ensure that all shareholders'/investors' grievances and correspondence are attended to expeditiously and satisfactorily



unless constrained by incomplete documentation and/ or legal impediments.

Constitution & Composition

The Shareholders’/Investor Grievances Committee was formed on March 2, 2006 and the same was re-constituted on April 2, 2007. All the members of this Committee are Non-Executive and Independent Directors. During the Financial Year under review, Mr. Anil K. Chopra was the Chairman of this Committee. The other members of the Committee were Mr. Veerkumar Shah and Mr. Pramod Lele.

Mr. Pramod Lele, Independent Director of the Company has resigned from the Board as well as membership of this Committee, w.e.f. April 15, 2010.

At the Board Meeting held on May 27, 2010, Mr. Arun Sathe was appointed as an Independent Director and a member of this Committee to fill casual vacancy caused by resignation of Mr. Pramod Lele.

Mr. G. M. Walavalkar, G. M - Legal & Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the year ended March 31, 2010, six Shareholders’/ Investor Grievances Committee meetings were held on 19/06/2009, 29/07/2009, 31/08/2009, 30/10/2009, 04/12/2009 and 28/01/2010. The attendance of each Committee member is given hereunder:

Name of the Directors	Number of Meetings attended during the year	Number of Meetings held during the year
Anil Chopra	6	6
Veerkumar Shah	6	6
Pramod Lele	4	6

THE ESPS COMPENSATION COMMITTEE

The scope and function of this committee is to formulate from time to time the detailed terms and conditions for offer of Equity Shares pursuant to Employee Stock Option/ Purchase Schemes and to administer these schemes.

Constitution & Composition

The ESPS Compensation Committee was formed on June 11, 2008. During the Financial Year under review, Mr. Vishwas Mehendale was the Chairman of the ESPS Compensation Committee. The other members of the Committee were Mr. Pramod Lele and Mr. Hitesh M. Shah.

Mr. Pramod Lele, Independent Director of the Company has resigned from the Board as well as membership of this Committee, w.e.f. April 15, 2010.

At the Board Meeting held on May 27, 2010, Mr. Arun Sathe was appointed as an Independent Director and a member of this Committee to fill casual vacancy caused by resignation of Mr. Pramod Lele.

Mr. G. M. Walavalkar, G. M - Legal & Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the year ended March 31, 2010, one meeting of the ESPS Compensation Committee was held on 30/07/2009 and all the members of the Committee attended the meeting.

COMPLIANCE OFFICER

Mr. G. M. Walavalkar, G. M - Legal & Company Secretary is the Compliance Officer.

SHAREHOLDERS’ COMPLAINTS

During the Financial Year ended March 31, 2010, the Company received 35 complaints from the shareholders, which were attended to promptly. Apart from the said complaints the Company also received certain requests/ general intimations regarding change of address, request for revalidation of refund orders/Dividend warrants, requests for annual reports etc. There are no complaints/requests pending to be replied or attended to.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings:

Day	Date	Time	Venue
Friday	August 28, 2009	3.30 PM	Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari Vikroli Link Road, Andheri (E), Mumbai - 400093
Friday	September 5, 2008	3.30 PM	Vikroli Link Road, Andheri (E), Mumbai - 400093
Saturday	September 29, 2007	4.00 PM	The Registered Office

Special Resolutions

Special Resolutions for the following matters were passed at the above Annual General Meetings:

Sr. No.	Date of AGM	Subject Matter of Special Resolution
Friday	August 28, 2009	—
Friday	September 5, 2008	Appointment of Mr. Amit C. Shah as V. P. (Procurement) under Sec. 314 of the Companies Act, 1956. Appointment of Mr. Bhupen C. Shah as V. P. (Procurement) under Sec. 314 of the Companies Act, 1956. Appointment of Mr. Dhiren C. Shah as V. P. (Operations) under Sec. 314 of the Companies Act, 1956. Approval for allotment of 3,75,000 shares at Rs. 50/- per share to the employees of the Company under Employee Share Purchase Scheme (ESPS). Approval for allotment of 3,45,000 shares at Rs. 50/- per share to the employees of the subsidiary company under ESPS Approval U/S 81(1A) for allotment of 7,20,000 shares under ESPS.
Saturday	September 29, 2007	—



None of the above Special Resolutions were required to be put to vote through Postal Ballot System. During the F.Y. 2009-10, no Special Resolutions were put to vote through Postal Ballot System. The Board of Directors does not recommend any Special Resolution for approval of the Members through the Postal Ballot System at the ensuing Annual General Meeting scheduled to be held on August 25, 2010.

DISCLOSURES

The Company does not have any materially significant commercial and financial transactions with any of the related parties i.e. Promoters, Directors, Relatives, Associated company or management having conflict, actual or potential, with the interest of the Company. The Company has complied with the statutory provisions, rules and regulations relating to the capital markets during the last year and the Stock Exchanges or the SEBI or any statutory authority has not imposed any penalties or strictures on the Company for the said period.

MEANS OF COMMUNICATION

The Audit Committee, in its meeting, considers the financial results of the Company and recommends it to the Board of Directors for its approval. The financial results, as taken on record by the Board of Directors, are communicated to the Stock Exchanges where the shares of the Company are listed, in accordance with the directives of regulatory authorities in this regard. These quarterly, half yearly and annual results are also published in widely circulated newspapers (English and vernacular languages) as per the guidelines issued from time to time.

The Management Discussion & Analysis Report forms a part of this Annual Report.

CERTIFICATION BY THE MANAGING DIRECTOR AND THE V. P. (FINANCE)

Mr. Sumit Shah, Managing Director and Mr. Dilip Joshi, V. P. - Finance, have issued a Certificate to the Board as prescribed under sub-clause V of Clause 49 of the Listing Agreement. The said Certificate was placed before the Board Meeting held on May 27, 2010 in which the Audited Accounts for the Financial Year ended March 31, 2010 were considered and approved by the Board of Directors.

SHAREHOLDER INFORMATION

Twenty First Annual General Meeting Details

Day	Wednesday
Date	August 25, 2010
Time	3.30 p.m.
Venue	Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari - Vikroli Link Road, Andheri (E), Mumbai – 400 093

Financial Year

Financial Year of the Company is April 1 to March 31.

Dates of Book Closure

From : Tuesday, August 17, 2010

To : Wednesday, August 25, 2010

(Both days inclusive)

Dividend Payment Date

Dividend Payment Date: on or before September 24, 2010.

Listing on Stock Exchanges

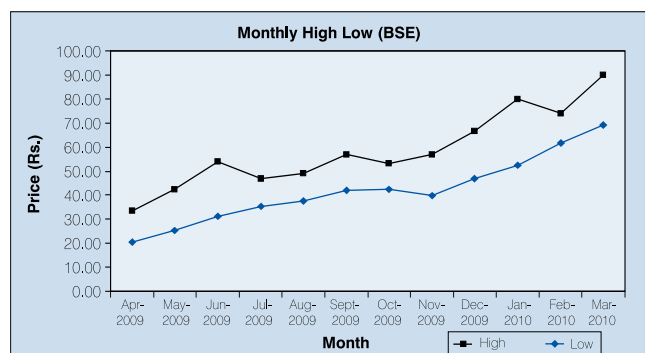
The Company's equity shares having ISIN No. INE722H01016 are listed on the following Stock Exchanges:

Stock Exchange	Scrp Code/ Symbol
Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	532923
National Stock Exchange of India Ltd (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051	RJL

Market Price Data

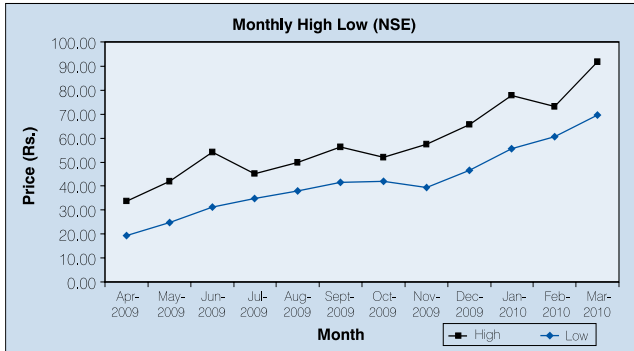
Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2009	33.5	20.5	33.85	19.50
May 2009	42.5	25.3	41.80	24.60
June 2009	53.75	31.1	54.00	31.35
July 2009	46.8	35.3	45.20	34.60
August 2009	48.9	37.5	49.75	38.00
September 2009	56.7	42	56.25	41.60
October 2009	53.2	42.5	52.00	42.05
November 2009	57	39.6	57.50	39.35
December 2009	66.4	46.7	65.70	46.50
January 2010	80	52.55	77.90	55.50
February 2010	74	61.85	73.20	60.50
March 2010	90	69.15	91.80	69.65

BSE Price Data





NSE Price Data



Performance in comparison with SENSEX/S&P CNX NIFTY

The performance of the Company's shares relative to SENSEX and S&P CNX NIFTY at a common base of 100 is as follows. The period covered is April 2009 to March 2010.

Chart showing RJL price at BSE vs SENSEX

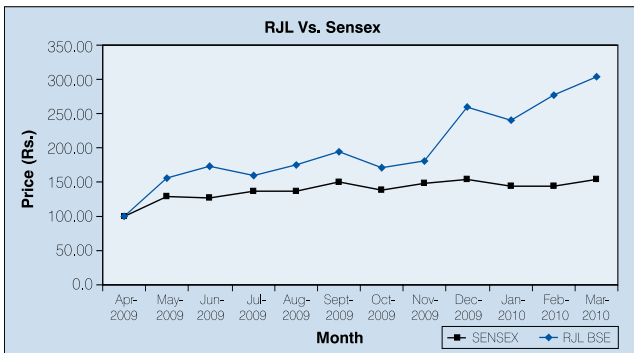
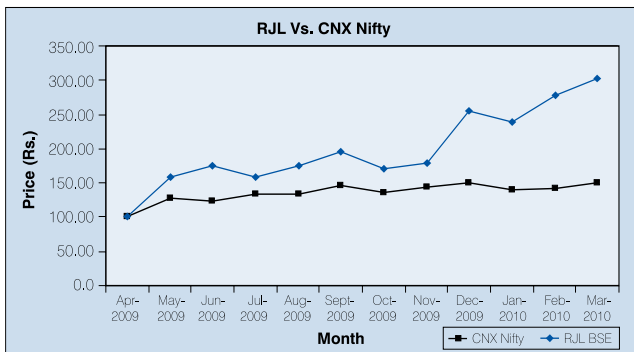


Chart showing RJL price at NSE vs CNX NIFTY



Registrar and Transfer Agents

Name : Link Intime India Pvt. Ltd.
 Address : C-13, Pannalal Silk Mills Compound
 L. B. S. Marg, Bhandup (West),
 Mumbai 400 078
 Tel : +91-22- 2594 6970
 Fax : +91-22- 2596 2691
 e-mail : rnt.helpdesk@linkintime.co.in

Share Transfer System

Shares held in the dematerialized form are electronically traded in the Depositories and the Registrar and Share Transfer Agents of the Company, viz. Link Intime India Pvt. Ltd., periodically receive from the Depository the beneficial holdings data, so as to enable them to update their records and to send all corporate communications. Physical shares received for dematerialization are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect.

Bad deliveries are immediately returned to Depository participants under advice to the shareholders within the aforesaid period.

Distribution of shareholding as on March 31, 2010

Shareholding of Nominal Value of Rs.	No. of Shareholders	%	No of Shares	Amount In Rs.	%
Up to 5000	16910	95.83	1401584	14015840	7.35
5001 to 10000	359	2.03	281402	2814020	1.47
10001 to 20000	175	0.99	259104	2591040	1.36
20001 to 30000	67	0.38	169363	1693630	0.89
30001 to 40000	20	0.11	71582	715820	0.37
40001 to 50000	17	0.10	76317	763170	0.40
50001 to 100000	39	0.22	282044	2820440	1.48
100001 onwards	59	0.34	16538044	165380440	86.68
Total	17646	100.00	19079440	190794400	100.00

Shareholding pattern as on March 31, 2010

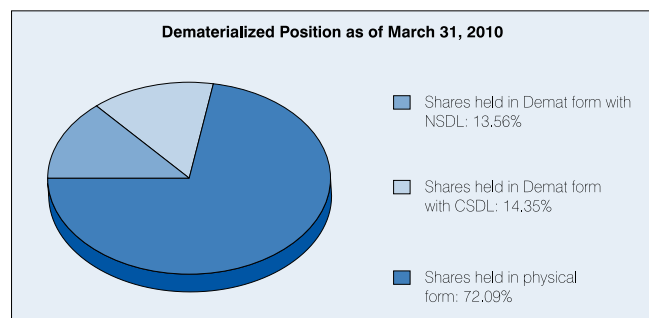
Category	No. of Shares	Percentage
A. Promoters' Holding		
Promoters	12252986	64.22
Relatives of Directors	1712218	8.98
Corporate Bodies (Promoter Co)	80	0.00
Sub Total A	13965284	73.20
B. Non Promoters' Holding		
Institutional Investors:		
Mutual Fund	0	0.00
Insurance Companies	0	0.00
Non Nationalized Banks	70000	0.37
Foreign Inst. Investors	169276	0.89
Sub Total	239276	1.26
Non Institutional Investors:		
Other Bodies Corporate	673011	3.52
Clearing Member	61028	0.32
Non Resident Indians	3188	0.02
Non Resident (Non Repatriable)	77857	0.41
Public	3339604	17.50
Trusts	720192	3.77
Sub Total	4874880	25.54
Sub Total B	5114156	26.80
Grand Total	19079440	100.00



Dematerialization of shares and liquidity

The shares of the Company are compulsorily traded in dematerialized form and are available for trading under both the Depository Systems i.e. NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited).

Nearly 27.91% of total equity shares of the Company are held in dematerialized form with NSDL & CDSL.



Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company's capital comprises only of Equity shares and warrants. The Company does not have any preference shares, outstanding ADRs, GDRs, or any convertible instruments.

Extinguishment of Warrants

The Company vide its prospectus dated November 28, 2007, had issued 2666309 warrants (one warrant for every two shares allotted) and each such warrant was convertible into one equity share of the Company of a face value of Rs.10/- each during the Warrant Exercise period beginning from April 1, 2009 and ending on May 31, 2009. The exercise price was Rs. 187.50 per share i.e. at fixed premium of 25% over the issue price of Rs. 150/- per share. None of the warrant holders have exercised their option to convert warrants into equity shares of the Company. All such unexercised warrants stand extinguished with effect from June 18, 2009.

Plant Locations and Address for correspondence

The information regarding office locations, and address for correspondence is given at the beginning of the Annual Report under Company Information.

Unclaimed Dividends

Pursuant to Section 205C of the Companies Act, 1956, dividends that are unpaid/unclaimed for a period of seven years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration

of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF:

Financial Year	Date of declaration of Dividend	Due Date for transfer to IEPF
2007-2008	September 5, 2008	October,12, 2015
2008-2009	August 28, 2009	October 3, 2016

Members who have so far not encashed their dividend warrants are requested to write to the Company/Registrar to claim the same, to avoid transfer to IEPF. Members are advised that no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred to the said Fund.

Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

Electronic Clearing Service

The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories and shareholders for crediting dividends through Electronic Clearing Services (ECS) to the investors wherever ECS and bank details are available. In the absence of ECS facility, the Company is required to print the bank account details on the dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

COMPLIANCE WITH THE MANDATORY REQUIREMENTS

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

EXTENT OF COMPLIANCE WITH THE NON-MANDATORY REQUIREMENTS

The Board

The Company does not maintain the Office of the Chairman. Certain expenses incurred by the Chairman in performance of his duties as a Director of the Company are reimbursed at actuals.

Remuneration Committee

Remuneration Committee comprising of 3 Non-Executive Independent Directors has been constituted by the Board.





Shareholder Rights

The Company is publishing unqualified financial statements. However, it has not adopted the non-mandatory requirement as to sending half-yearly declaration of financial performance to household of each shareholder.

Audit qualifications

Since inception the Company did not have any qualifications in its financial statements. The Company continues to adopt best practices to ensure regime of unqualified Financial Statements.

Training of Board Members

The Company's Board of Directors comprise of professionals with expertise in their respective fields and industry. They endeavour to keep themselves updated with changes in global economy and various legislations. They attend various workshops and seminars to keep themselves abreast with the changes in business environment.

Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and the same has been communicated within the organization.

CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE

A certificate from the Statutory Auditors of the Company, M/s. J. K. Shah & Co., Chartered Accountants, Mumbai regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is enclosed.

For and on behalf of the Board,

**Sumit Shah
Managing Director**

Mumbai, May 27, 2010

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY

We, Sumit Shah, Managing Director and Dilip Joshi, Vice President-Finance, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2010 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading and
 - These statements present true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies; and
4. That we have informed the auditors and the Audit Committee of:
 - (i) Significant changes in internal control during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**Sumit Shah
Managing Director**

Mumbai, May 27, 2010

**Dilip Joshi
Chief Financial Officer**

CERTIFICATE OF STATUTORY AUDITORS

To
The Members of
Renaissance Jewellery Ltd.

We have examined the compliance of conditions of Corporate Governance by Renaissance Jewellery Ltd. ('the Company'), for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For J. K. SHAH & CO.
Chartered Accountants

Sanjay A. Gandhi
Partner

Membership No. 48570

Mumbai, May 27, 2010



AUDITOR'S REPORT

TO,
THE MEMBERS OF

RENAISSANCE JEWELLERY LIMITED

1. We have audited the attached Balance Sheet of Renaissance Jewellery Limited as at March 31, 2010, the Profit and Loss account and also cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the accounting standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together 'the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of the information and explanation given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comment in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose 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 and proper returns adequate for the purpose of our audit have been received from the branch not visited by

us. The Branch Auditor's report have been forwarded to us and have been appropriately dealt with;

- (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 and with the audited returns from the branches;
- (d) In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
- (e) On the basis of written representation received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts, read together with the Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the balance sheet, of the state of affairs of the company as at March 31, 2010;
 - (ii) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (iii) in the case of cash flow statement, of the cash flow for the year ended on that date.

For J. K. SHAH & CO.

Chartered Accountants
FRN: 109606W

Sanjay A. Gandhi

Partner

Membership No. 48570

Mumbai, May 27, 2010

STANDALONE
FINANCIAL
STATEMENTS





ANNEXURE TO THE AUDITOR'S REPORT

(as referred to in paragraph 3 of our report of even date)

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) These fixed assets have been physically verified by the management at regular interval considering the size of the company and nature of assets. No material discrepancies have been noticed on such verification.
(c) No disposal of a substantial part of fixed assets of the company has taken place during the year.
2. (a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year.
(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and the book records were not material and have been adequately dealt with in the books of account.
3. (a) As per the records of the company, it has given interest free unsecured loans, repayable on demand to its two wholly owned subsidiaries covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 51,101,472/- and year-end balance was Rs. Nil.
(b) The other terms and conditions are not prima-facie prejudicial to the interest of the company.
(c) The company has taken interest free unsecured loan from three parties being its directors. The maximum amount involved during the year was Rs. 82,607,874/- and year-end balance was Rs. Nil.
(d) The other terms and conditions of the said loans were not prima-facie prejudicial to the interest of the company.
(e) The principal amounts were repayable on demand.
4. The company has adequate internal control procedure commensurate with the size of the company and nature of its business with regard to purchase of inventories and fixed assets and also for sale of goods. We have not come across any major weakness in internal control.
5. (a) Based on the audit procedure applied by us and on the basis of information and explanations provided by the management, we are of the opinion that the transactions that needed to be entered in to a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
(b) The company is dealing in the items which requires technical appraisal and expertise in determining the prevailing market prices as on the date of the transaction and in the absence of required information and records, we are unable to express our opinion in respect of transaction made in pursuance of contracts or arrangements entered in the register maintained u/s 301 and exceeding the value of Rs. 5,00,000/- during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. During the year, the company has not accepted any deposits to which provisions of sections 58A and 58AA of the Companies Act, 1956 or any other provisions of the Act will apply.
7. The company has internal audit function performed by a firm of Chartered Accountants. In our opinion, the internal audit system is commensurate with the size of the company and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
9. (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. According to the information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding



as at March 31, 2010 for a period of more than six months from the day they become payable.

- (b) According to information and explanation given to us and as per the records of the company, the following statutory dues have not been deposited on account of disputes:

Name of the Statute	Nature of demand	Period of dispute	Amount Rs.	Forum where dispute is pending
Customs Act,	Customs Penalty	1998-1999 2002-2003	2,00,000/- 1,11,196/-	CESTAT CESTAT

10. The company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedure and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any bank. The company has neither taken any loans from financial institutions nor has issued debentures.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The provisions of any Special Statute applicable to Chit Funds, Nidhis or Mutual Benefit Funds/Societies are not applicable to the company.
14. The company is not dealing in or trading in shares, securities, debentures, or other investments and hence, requirement of clause (xiv) of the Order is not applicable to the company.
15. According to the information and explanation given to us, the company has not given any guarantee for the loans taken by others from the bank and Financial Institution.
16. The company has not taken any Term Loans during the year.
17. According to Cash flow statements and other records examined by us and on the basis of the information and explanations received, the company has not applied short term borrowings for long terms use.
18. The company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained u/s 301 of the Companies Act, 1956.
19. Since the company does not have any debentures, the question of creation of securities for debentures does not arise.
20. Since the company has not raised money by public issue, clause (xx) of the Order is not applicable.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year.

For J. K. SHAH & CO.

Chartered Accountants

FRN: 109606W

Sanjay A. Gandhi

Partner

Membership No. 48570

Mumbai, May 27, 2010





BALANCE SHEET AS AT MARCH 31, 2010

Rupees

	SCHEDULE	2009-10	2008-09
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	190,794,400	190,794,400
Reserves and Surplus	2	2,118,199,106	1,928,508,393
		2,308,993,506	2,119,302,793
LOAN FUNDS			
Secured Loans	3	1,173,251,326	1,337,182,167
Unsecured Loans	4	—	13,896,974
		1,173,251,326	1,351,079,141
DEFERRED TAX LIABILITY			
		—	3,019,187
TOTAL		3,482,244,832	3,473,401,121
APPLICATION OF FUNDS			
FIXED ASSETS			
	5		
Gross Block		493,989,122	459,249,892
Less : Depreciation		239,508,879	199,803,887
		254,480,243	259,446,005
Capital work-in-progress		53,671,087	26,422,643
		308,151,330	285,868,648
INVESTMENTS			
	6	518,537,950	508,273,700
DEFERRED TAX ASSETS			
		1,220,994	—
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	1,521,684,413	1,915,998,987
Sundry Debtors	8	1,175,744,838	1,367,885,909
Cash and Bank Balances	9	259,214,340	212,801,266
Loans and Advances	10	140,491,907	192,582,708
		3,097,135,498	3,689,268,870
LESS: CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	390,893,401	970,080,298
Provisions		51,907,539	40,055,900
		442,800,940	1,010,136,198
NET CURRENT ASSETS			
		2,654,334,558	2,679,132,672
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
Preliminary Expenses		126,101	167,117
Less: Written off during the year		126,101	41,016
		—	126,101
TOTAL		3,482,244,832	3,473,401,121
NOTES TO ACCOUNTS			
	18		

As per our Report of even date
For **J.K. SHAH & Co.**
Chartered Accountants

For and on behalf of the Board

Sanjay A. Gandhi
Partner
Membership No. 48570

Sumit N. Shah
Managing Director

Hitesh M. Shah
Executive Director

Ghanashyam M. Walavalkar
Company Secretary

Mumbai, May 27, 2010

Mumbai, May 27, 2010





PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	SCHEDULE	2009-10	2008-09
Rupees			
INCOME			
Sales	12	4,753,209,884	6,694,331,383
Other Income	13	76,285,303	9,587,713
TOTAL		4,829,495,187	6,703,919,096
EXPENDITURE			
Consumption of Materials	14	3,731,064,212	5,662,220,823
Personnel Costs	15	469,153,689	367,797,117
Manufacturing and Other Expenses	16	246,703,048	293,055,167
Interest and Financial Charges	17	81,125,125	131,631,500
Depreciation		41,358,499	36,776,440
Preliminary Expenses Written off		126,101	41,016
TOTAL		4,569,530,674	6,491,522,063
PROFIT BEFORE TAXATION			
Less: Provision for Taxation			
Current Tax		29,810,000	13,990,000
Earlier year's tax		—	(688)
Wealth Tax		60,000	62,000
Fringe Benefit Tax		—	612,500
Deferred Tax		(4,240,181)	5,139,317
MAT Credit		—	(10,870,000)
PROFIT AFTER TAXATION			
Add : Balance Brought Forward		1,151,283,557	775,290,485
Add : Transfer pursuant to the scheme of Amalgamation (Net)		—	221,012,154
Balance available for Appropriation			
Appropriation			
Proposed Dividend		38,158,880	28,619,160
Tax on Proposed Dividend		6,485,102	4,863,826
Transfer to General Reserve		18,000,000	15,000,000
Balance carried to Balance Sheet		1,322,974,269	1,151,283,557
		1,385,618,251	1,199,766,543
NOTES TO ACCOUNTS			
Earning Per Share (Rs.)	18		
Basic & Diluted		12.28	10.97

As per our Report of even date
For J.K. SHAH & Co.
Chartered Accountants

Sanjay A. Gandhi
Partner
Membership No. 48570

Mumbai, May 27, 2010

For and on behalf of the Board

Sumit N. Shah
Managing Director

Ghanashyam M. Walavalkar
Company Secretary

Mumbai, May 27, 2010

Hitesh M. Shah
Executive Director





CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Rupees

	March 31, 2010	March 31, 2009
Cashflow from operating activities		
Net Profit before tax	259,964,513	212,397,033
ADJUSTMENTS:		
Interest income	(4,813,928)	(5,920,741)
Dividend income	—	(2,658,053)
Exchange fluctuation	(31,046,684)	(14,669,105)
Loss on sale of assets (Net)	109,206	1,113,471
Preliminary Expenses Written Off	126,101	41,016
Depreciation	41,358,499	36,776,440
Interest and Financial Charges	81,125,125	131,631,500
Operating Profit before working capital changes	346,822,832	358,711,561
CHANGES IN WORKING CAPITAL		
Trade and other receivable	203,163,496	469,897,969
Inventories	394,314,574	(881,712,707)
Trade payables	(539,953,658)	575,736,333
Cash used in operation	404,347,245	522,633,156
Direct taxes	(18,120,005)	(20,074,894)
Net cash used in operating activities (A)	386,227,240	502,558,262
Cash flow from investing activities		
Interest Received	8,003,785	1,860,568
Investment in subsidiaries	(10,264,250)	(154,750,000)
Sale of Investments	—	117,154,239
Dividend income	—	2,658,053
Purchase of fixed assets including CWIP	(66,047,867)	(106,580,487)
Sale of fixed assets	2,297,480	724,711
Net cash used in investing activities (B)	(66,010,852)	(138,932,916)
Cash flow from financing activities		
Net Proceeds from Issue of Equity Shares	—	35,739,000
Dividend Paid (Including Dividend Tax)	(33,399,211)	(32,129,108)
Interest and Financial Charges Paid	(80,524,876)	(132,708,354)
Repayment of short term borrowings	(157,646,089)	(130,846,034)
Net cash used in financing activities (C)	(271,570,176)	(259,944,495)
NET CASH/CASH EQUIVALENT (A+B+C)	48,646,212	103,680,851
Cash & cash Equivalent at beginning	209,601,070	74,669,601
Add : Cash at Beginning Pursuant to Amalgamation	—	31,250,618
Cash & cash Equivalent at the end	258,247,282	209,601,070
Notes		
1. The cash and cash equivalents in the cash flow statement comprise of the following Balance Sheet amounts :	March 31, 2010	March 31, 2009
(a) Cash on hand	1,499,279	1,730,100
(b) Balance with Banks	257,715,062	211,071,166
(c) Credit Balance with Scheduled Banks	(967,059)	(3,200,196)
	258,247,282	209,601,070

2. The above Cashflow is made as per the Indirect Method of "Cash Flow Statement" as per AS-3.

3. Balances with Banks includes Rs. 91,197,449 (P.Y. : Rs. 87,847,112), being deposits & margin money as collateral security or lien against the bank facilities.

4. Previous year's figures have been regrouped/rearranged wherever considered necessary.

As per our Report of even date

For J.K. SHAH & Co.

Chartered Accountants

Sanjay A. Gandhi

Partner

Membership No. 48570

For and on behalf of the Board

Sumit N. Shah

Managing Director

Hitesh M. Shah

Executive Director

Ghanashyam M. Walavalkar

Company Secretary

Mumbai, May 27, 2010

Mumbai, May 27, 2010





SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	2009-10	2008-09
Rupees		
SCHEDULE 1		
CAPITAL		
Authorised		
27,000,000 (PY : 25,000,000)	270,000,000	250,000,000
Equity Shares of Rs. 10/- each		
	270,000,000	250,000,000
Issued, Subscribed and Paid-up		
19,079,440 (PY : 19,079,440)	190,794,400	190,794,400
Equity Shares of Rs. 10/- each fully paid-up		
Note :		
Of the above, 749,400 Equity Shares of Rs. 10/- each fully paid-up were allotted for consideration other than cash.		
Of the above, 11,405,800 Equity shares of Rs. 10/- each have been allotted as fully paid-up Bonus Shares by Capitalisation of Profit and Loss Account.		
Of the above, 720,000 Equity Shares of Rs. 10/- each fully paid-up have been issued to RJL – Employee Welfare Trust pursuant to Employee Stock Purchase Scheme.		
	190,794,400	190,794,400
SCHEDULE 2		
RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	64,500,000	49,500,000
Add : Transfer from Profit and Loss Account	18,000,000	15,000,000
	82,500,000	64,500,000
Securities Premium		
As per last Balance Sheet	712,724,833	684,185,833
Add : Credited during the year	—	28,800,000
Less : Issue Expenses written off	—	261,000
	712,724,833	712,724,833
Profit and Loss Account Balance	1,322,974,269	1,151,283,557
	2,118,199,106	1,928,508,390
SCHEDULE 3		
SECURED LOANS		
Working Capital borrowings from Banks	1,173,251,326	1,337,182,167
(Secured by first charge on pari passu basis by way of hypothecation and/or pledge of company's current assets both present and future and by way of joint equitable mortgage of Company's factory premises situated at Plot Nos. 36A and 37 (Mumbai) and at Plot No. 2302 (Bhavnagar), fixed machinery and plant, fixtures and fittings, erected and installed therein and by personal guarantee of some of the directors/promoters)		
	1,173,251,326	1,337,182,167
SCHEDULE 4		
UNSECURED LOANS		
From Directors	—	13,896,974
	—	13,896,974

**SCHEDULE ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET AS AT MARCH 31, 2010**

Rupees

Particulars	GROSS BLOCK			DEPRECIATION			NET BOOK VALUE			
	As at April 1, 2009	Additions	Sales/Adj. during the year	As at March 31, 2010	As at April 1, 2009	For the year	Sales/Adj. during the year	Upto March 31, 2010	As at March 31, 2009	As at March 31, 2010
TANGIBLE ASSETS										
Freehold Land	9,517,261	—	—	9,517,261	—	—	—	—	9,517,261	9,517,261
Building	121,016,752	26,844	—	121,043,596	45,707,195	7,511,367	—	53,218,562	67,825,034	75,309,557
Plant and Machinery	157,394,735	24,841,488	1,974,271	180,261,952	56,025,678	16,393,979	388,958	72,030,699	108,231,253	101,369,057
Furniture and Fittings	65,790,196	5,166,120	—	70,956,316	39,508,393	5,842,467	—	45,350,860	25,605,456	26,281,803
Electrical Installations	24,189,434	1,999,561	—	26,188,995	12,508,356	2,169,718	—	14,678,074	11,510,921	11,681,078
Office Equipment	33,144,221	1,855,695	104,497	34,895,419	15,834,240	2,900,432	68,157	18,666,515	16,228,904	17,309,981
Computers	31,870,769	1,659,581	224,100	33,306,250	22,328,650	4,200,063	222,047	26,306,666	6,999,584	9,542,119
Vehicles	15,280,887	2,333,565	1,757,325	15,857,127	7,501,286	2,078,456	974,345	8,605,397	7,251,730	7,779,601
INTANGIBLE ASSETS										
Computer Software	1,045,637	916,569	—	1,962,206	390,089	262,017	—	652,106	1,310,100	655,548
Total	459,249,892	38,799,423	4,060,193	493,989,122	199,803,887	41,358,499	1,653,507	239,508,879	254,480,243	259,446,005
Previous year	323,737,356	*140,687,008	5,174,472	459,249,892	159,958,652	* 43,181,525	3,336,290	199,803,887	259,446,005	163,778,704

* Includes Acquisition pursuant to amalgamation



SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	2009-10	2008-09
		Rupees
SCHEDULE 6		
INVESTMENTS		
Long Term (at cost) In Shares		
Unquoted (Trade) – Fully Paid Up		
— Subsidiary Companies		
(1) 100 (PY : 100) Equity Shares at par of Renaissance Jewelry N.Y. Inc.	508,273,700	508,273,700
(2) 150,000 (PY : Nil) Equity Shares of £ 1/- each of Verigold Jewellery (UK) Ltd.	10,264,250	—
	518,537,950	508,273,700
SCHEDULE 7		
INVENTORIES		
(As taken valued and certified by the Management)		
Raw Materials	1,492,989,536	1,890,555,253
Stores and Spares	28,694,877	25,443,734
	1,521,684,413	1,915,998,987
SCHEDULE 8		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts Outstanding over Six Months	—	—
Other Debts		
Subsidiary Company/(ies)	666,551,806	1,000,898,814
Others	509,193,032	366,987,095
	1,175,744,838	1,367,885,909
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on Hand	1,499,279	1,730,100
Balances with Banks		
— Scheduled Banks		
— Current Accounts	23,433,727	112,141,168
(Including Unclaimed Dividend Rs. 174,108/-; PY : Rs. 90,333/-)		
— Margin Money Account (under lien with Banks)	6,452,000	13,487,000
— Fixed Deposit	227,277,731	83,591,394
(Out of above Rs. 84,277,731/- given as collateral security for facilities; PY : Rs. 72,591,394/-)		
— Non-Scheduled Banks		
— Current Accounts		
— The Bank of Nova Scotia	83,886	83,886
(Maximum Balance outstanding during the year Rs. 83,886/-; PY : Rs. 83,886/-)		
— Margin Money Account (under lien with Bank)		
— The Bank of Nova Scotia	467,718	1,767,718
(Maximum Balance outstanding during the year Rs. 1,767,718/-; PY : Rs. 9,624,682/-)		
	259,214,341	212,801,266



SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	2009-10	2008-09
		Rupees
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	72,286,106	62,883,525
Loans		
— Wholly owned Subsidiary/(ies)	—	51,009,553
— Others	36,000,000	36,000,000
Sundry Deposits	4,522,819	3,257,153
Taxes Paid (Net of Provision)	5,772,982	11,262,477
MAT Credit Entitlement	21,910,000	28,170,000
	140,491,907	192,582,708
SCHEDULE 11		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES:		
Sundry Creditors		
— Dues of Subsidiary Company/(ies)	10,975,777	7,641,583
— Dues of Micro and Small enterprises	26,575	98,911
— Dues of Others	320,398,429	914,712,760
Other Liabilities	58,351,453	44,336,515
Unclaimed Dividend #	174,108	90,333
Credit Balance with Scheduled Banks	967,059	3,200,196
(# There is no amount due and outstanding to be credited to Investors Education and Protection Fund)		
	390,893,401	970,080,298
PROVISIONS:		
Employee Benefit	7,263,557	6,572,914
Proposed Dividend	38,158,880	28,619,160
Tax on Dividend	6,485,102	4,863,826
	51,907,539	40,055,900



SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	2009-10	2008-09
		Rupees
SCHEDULE 12		
SALES		
Export – Jewellery	4,753,209,884	6,694,331,383
	4,753,209,884	6,694,331,383
SCHEDULE 13		
OTHER INCOME		
Jewellery Making Charges Received (TDS Rs. 9,730/-; PY : Rs. 652/-)	488,050	108,680
Interest Received (Gross) (TDS Rs. 658,931/-; PY : Rs. 991,435/-)	4,813,928	5,920,741
Dividend Received (Non-Trade Investment)	—	2,658,053
Discount Received from Suppliers	6,327	153,559
Sundry Balance Written Back	11,970	697,245
Exchange Rate Difference (Net)	70,945,040	—
Miscellaneous Income	19,988	49,435
	76,285,303	9,587,713
SCHEDULE 14		
CONSUMPTION OF MATERIALS		
Raw Materials		
Opening Stock	1,890,555,253	943,561,625
Add : Acquired pursuant to scheme of amalgamation	—	72,643,710
Add : Purchases	3,338,294,205	6,537,837,635
	5,228,849,458	7,554,042,970
Less : Sale of Materials	4,795,710	1,266,894
Less : Closing Stock	1,492,989,536	1,890,555,253
	3,731,064,212	5,662,220,823
SCHEDULE 15		
PERSONNEL COSTS		
Salaries Wages and Bonus	426,349,050	328,918,479
Contribution to Provident Fund and other Funds	13,856,805	12,694,099
Contribution to ESIC	6,352,302	6,051,856
Workmen and Staff Welfare	22,595,532	20,132,683
	469,153,689	367,797,117



SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	2009-10	2008-09
		Rupees
SCHEDULE 16		
MANUFACTURING AND OTHER EXPENSES		
Tools, Stores and Spares Consumed	69,495,720	61,807,579
Exchange Rate Difference (Net)	—	85,777,449
Power, Fuel and Water Charges	39,731,283	35,299,588
Jewellery Making Charges	37,458,209	26,367,288
Repairs and Maintenance		
— Machinery	3,913,984	3,386,313
— Building	1,256,186	1,308,438
— Others	10,825,541	12,318,279
Rent, Rates and Taxes	3,870,785	3,597,850
Legal and Professional Charges	3,578,152	4,265,247
Directors Sitting Fees	360,000	515,000
Printing and Stationery	3,499,129	3,216,679
Membership and Subscription	199,325	463,511
Insurance	13,788,080	8,805,322
Travelling and Conveyance	6,296,832	3,169,231
Communication Expenses	2,688,127	2,646,353
Clearing and Transportation Charges	11,484,655	12,014,180
Auditors' Remuneration		
— Audit fees	530,150	444,120
— Tax Audit fees	100,000	75,000
— Taxation and Other matters	100,000	100,000
Loss on sale/discard of Assets (Net)	109,206	1,113,471
Donation	3,365,490	2,311,000
Discount and Rebates	—	5,132,027
Miscellaneous Expenses	34,052,194	18,921,242
	246,703,048	293,055,167
SCHEDULE 17		
INTEREST AND FINANCIAL CHARGES		
Bank Interest	59,179,410	100,918,457
Bank Charges	21,945,715	30,713,043
	81,125,125	131,631,500



NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

SCHEDULE 18

SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Accounting

The Financial statement are prepared on mercantile basis under the historical cost convention in accordance with the generally accepted accounting principles in India, Accounting Standards notified under sub-section (3C) of section 211 of the Companies Act, 1956 and the other relevant provisions of the Companies Act, 1956.

b) Revenue Recognition

All revenues and expenses are accounted on accrual basis. Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipt.

c) Fixed Assets

Fixed assets are stated at cost of acquisition/construction, and include other direct/indirect and incidental expenses incurred to put them into use.

d) Depreciation

Depreciation is provided on Written down Value basis at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on additions/deletions is calculated pro rata from/up to the month of additions/deletions.

e) Intangibles

Intangible assets are stated at costs less accumulated amortization.

Intangible assets are amortized over a period of 5 years.

f) Investments

Investments which are Long Term in nature are stated at cost of acquisition with provision where necessary for diminution, other than temporary, in the value of investments.

g) Inventories

Classification:

Due to the short period of processing and/or manufacturing, difficulty in identifying the stages of process and the insignificant impact on valuation, goods in process is classified as raw materials for the purpose of classification and valuation.

Valuation:

- i) Raw materials are valued at lower of cost or net realizable value. The cost is computed on a specific identification basis.
- ii) Silver Models are valued based on technical estimates and accordingly, 50% is written off in the year of purchase and balance in the subsequent year.
- iii) Stores and spares are valued at lower of cost or net realizable value. The cost is computed on moving weighted average.

h) Employee Benefits

• Short Term Employee Benefits:

Short term employee benefits are recognised in the period during which the services have been rendered.

• Long Term Employee Benefits:

Provident Fund, Family Pension Fund & Employees' State Insurance Scheme

As per Provident Fund Act, 1952 all employees of the company are entitled to receive benefits under the provident fund & family pension fund which is a defined contribution plan. These contributions are made to the fund administrated and managed by Government of India. In addition, some employees of the company are covered under Employees' State Insurance Scheme Act 1948, which are also defined contribution schemes recognised and administrated by Government of India.





NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

The Company's contributions to these schemes are recognised as expense in profit and loss account during the period in which the employee renders the related service. The company has no further obligation under these plans beyond its monthly contributions.

- **Leave Encashment:**

The Company has provided for the liability at year end on account of unavailed earned leave as per the actuarial valuation.

- **Gratuity:**

The Company provide for gratuity obligations through a Defined benefits Retirement plan ('The Gratuity Plan') covering all eligible employees. The present value of the obligation under such Defined benefits plan is determined based on actuarial valuation using the Project Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation. The obligation is measured at the present value of the estimated cash flows. The discount rate used for determining the present value of the defined obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognised in Profit and Loss Account as and when determined.

i) **Foreign Currency Transactions**

Transactions in foreign currency are accounted at the exchange rate prevailing at the time of transaction. Gains or Losses upon settlement of transaction during the year is recognised in the profit and loss account.

Assets and liabilities denominated in foreign currency are restated at the year end rates. Gains or losses arising as a result of the above are recognized in the profit and loss account.

In respect of foreign exchange transactions covered by forward exchange contracts, the difference between the forward contract rate and the exchange rate at the date of the transaction is recognised as income or expenses over the life of contracts. Gains or losses on cancellation or renewal of forward exchange contracts are recognised as income or expenses.

j) **Income Tax**

Tax expenses comprise of current and deferred tax.

Provision for current income tax is made on the basis of relevant provisions of Income Tax Act, 1961 as applicable to the financial year.

Deferred Tax is recognized subject to the consideration of prudence on timing differences, being the difference between Taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

k) **Borrowing Cost**

Borrowing Cost directly attributable to the acquisition of or construction of fixed assets are capitalized as part of cost of the assets up to the date the asset is put to use. Other borrowing costs are charged to the profit & loss account in the year in which they are incurred.

l) **Impairment of Assets**

Where there is an indication that an asset is impaired, the recoverable amount if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount.

m) **Leases**

Leases wherein a significant portion of the risks and reward of ownership are retained by the lessor are classified as Operating Leases. Lease rentals in respect of such leases are charged to the Profit and Loss Account.

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

n) Provisions and Contingent Liabilities

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or present obligation that probably will not require an outflow of resources or where reliable estimate of the amount of the obligation cannot be made.

o) Employee Stock Purchase Scheme

In accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guideline, 1999 issued by the Securities and Exchange Board of India ("SEBI"), the excess of market price on day prior to the date of issue of the shares over the price at which they are issued is recognized as employee compensation cost.

NOTES TO ACCOUNTS:

- Loans and Advances include interest free advances given by the Company to RJL – Employee Welfare Trust aggregating to Rs. 36,000,000/- (Previous year Rs. 36,000,000/-), for the benefit of designated Employees pursuant to the proviso (b) to Section 77 (2) of the Companies Act, 1956.
- In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. Provisions for all the known liabilities and depreciation are adequate and not in excess of the amount reasonably necessary.

(Rupees)

3. Contingent Liabilities not provided for in respect of:		As at March 31, 2010	As at March 31, 2009
i)	Guarantees given by Banks on behalf of the Company to third parties	Nil	50,000,000
ii)	Guarantees given to banks against credit facilities extended to subsidiary company	Nil	Nil
iii)	Penalty levied by the Custom Authorities	311,196	311,196
iv)	Income Tax demand disputed in appeal:		
	Disputed by the Company	Nil	2,507,877
	Disputed by the Department	9,257,560	9,257,560
v)	Estimated amount of contract remaining to be executed on capital account (Net of advances)	25,369,022	60,088

- Exchange rate difference arising during the year has been charged to Profit and Loss account as under:

(Rupees)

	As at March 31, 2010	As at March 31, 2009
Revenue Accounts – Loss/(Gain)	(71,690,863)	86,380,040
Capital Accounts – Loss/(Gain)	745,823	(602,591)
Total	(70,945,040)	85,777,449

- a) Derivative Instruments:

The Company has entered into forward contract to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian rupee. The counter party to such forward contract is a bank. These contracts are entered to hedge the foreign currency risks. Details of forward contracts outstanding as at the year end.

Currency	Exposure to buy/sell	As at March 31, 2010		As at March 31, 2009	
		Foreign Currency	Rupees	Foreign Currency	Rupees
US Dollars	Sell	9,950,000	449,143,000	11,443,000	583,249,710
US Dollars	Buy	—	—	500,000	25,485,000



NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

b) Foreign currency exposure at the year end not hedged by derivative instruments:

	As at March 31, 2010		As at March 31, 2009	
	Foreign Currency	Rupees	Foreign Currency	Rupees
Receivable against export of goods:				
US Dollars	15,598,518.78	704,117,138	15,587,032.53	794,471,048
Payable against Secured Loans:				
US Dollars	25,798,585.85	1,164,548,165	16,857,999.25	859,252,222
Payable against Import of goods and Services:				
US Dollars	5,657,891.22	255,397,932	16,649,006.36	848,599,854
Euros	31,376.40	1,897,017	51,794.19	3,501,287
Swiss Franc	446.16	18,859	—	—
Sterling Pound	—	—	118.00	8,616
Japanese Yen	39,000.00	18,837	—	—
Advance payment to suppliers:				
US Dollars	65,892.90	2,974,409	4,145.63	211,303
Euros	4,673.59	282,565	—	—
Sterling Pound	2,440.00	165,944	—	—
Bank Balance:				
US Dollars	31,870.85	1,438,560	671,443.08	34,223,454

6. Disclosure required by Clause 32 of the Listing Agreement.

Amount of Loans and Advances in nature of loans outstanding from subsidiaries and associates for the year ended 31st March, 2010:

(Rupees)

Sr. No.	Name of the Company	Nature of Relation	Nature of Transaction	Maximum Balance during the year	As at March 31, 2010	As at March 31, 2009
1.	Renaissance Jewelry New York Inc.	Subsidiary	Loan (Dr)	51,009,553	—	51,009,553
2.	Verigold Jewellery (UK) Ltd.	Subsidiary	Loan (Dr)	91,919	—	—

Renaissance Jewellery Limited has made the following investment in its subsidiary.

	No. of Equity Shares
a) Renaissance Jewelry New York Inc.	100
b) Verigold Jewellery (UK) Ltd.	150,000

7. Transaction with related party:

Related party disclosure as required by AS-18, 'Related Party Disclosures' notified by the Companies (Accounting Standard) Rules, 2006 are given below:

a) Key Management Personnel:

- 1) Mr. Niranjan A. Shah
- 2) Mr. Sumit N. Shah
- 3) Mr. Hitesh M. Shah
- 4) Mr. Neville R. Tata





NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

b) **Subsidiary Company:**

Renaissance Jewelry N.Y. Inc.
Verigold Jewellery (UK) Limited

Sub-Subsidiary Company:

Renaissance Adrienne LLC (situated at California) (Subsidiary of Renaissance Jewelry N.Y. Inc.)

c) **Associate Concerns/Companies/Trust under Control of Key Management Personnel and Relatives:**

- 1) N. Kumar Diamonds Exports Limited
- 2) Fancy Jewellery Private Limited
- 3) Housefull International Limited
- 4) Anika Jewellery Private Limited
- 5) Niranjan Holdings Private Limited
- 6) Renaissance Jewellery Limited – Employee Group Gratuity Trust
- 7) Sumit Diamonds

d) **Details of transactions with related Parties:**

Sr. No.	Transaction with related parties	Subsidiary Companies	Associated/ Concerns/Trust	Key Management Personnel
I	Sales:			
	Sale of Finished Goods	2,222,419,640	—	—
		(3,285,069,107)	(—)	(—)
II	Purchases:			
	Purchase of Materials	338,452,451	—	—
		(158,868,579)	(—)	(—)
	Purchase of Assets	—	679,217	—
		(—)	(570,000)	(—)
	Purchase of Consumable/Tools/Spares	1,027,805	—	—
		(—)	(—)	(—)
III	Expenditure:			
	Contribution towards Group Gratuity	—	5,402,002	—
		(—)	(7,493,880)	(—)
	Remuneration	—	—	4,288,080
		(—)	(—)	(4,188,080)
IV	Unsecured Loans:			
	Loans (Net)	—	—	13,896,974
		(—)	(—)	(149,996,974)
V	Loans & Advances:			
	Loans (Net)	50,917,634	—	—
		(50,978,621)	(—)	(—)
VI	Investment:			
	Investment	10,264,250	—	—
		(154,650,000)	(—)	(—)
VII	Balance as on March 31, 2010:			
	Receivables:	666,551,806	—	—
		(1,051,908,367)	(—)	(—)
	Payables:	10,975,777	11,159,131	—
		(7,641,583)	(5,757,129)	(13,896,974)

Note: Figures in bracket indicate of previous year.





**NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2010**

8. Segment Reporting:

During the year Company operated in only one segment i.e. "Jewellery".

9. The disclosure as required as per Accounting Standard – 15 (Revised) "Employee Benefits" notified by Companies (Accounting Standard) Rules, 2006 are as under.

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year are as under:

(Rupees)

Particulars	2009-2010	2008-2009
Employer's Contribution to Provident Fund & Family Pension Fund	11,531,137	11,432,338
Employer's Contribution to Employees' State Insurance Scheme	6,352,302	6,051,856

b) Defined Benefit Plan

• **Reconciliation of opening and closing balances of Defined Benefit obligation**

(Rupees)

Particulars	Gratuity (Funded)	
	2009-2010	2008-2009
Defined Benefit obligation at the beginning of the year	20,958,643	16,184,987
Current Service Cost	6,680,124	5,310,362
Interest Cost	1,571,898	1,213,874
Actuarial (gain)/loss	1,972,382	(881,270)
Benefits Paid	1,753,296	869,310
Defined Benefit obligation at year end	29,429,751	20,958,643

• **Reconciliation of opening and closing balances of fair value of plan Assets**

(Rupees)

Particulars	Gratuity (Funded)	
	2009-2010	2008-2009
Fair value of plan assets at the beginning of the year	15,201,514	14,814,565
Expected return on plan assets	2,465,084	—
Actuarial gain/(loss)	2,357,318	(1,850,914)
Employer contribution	—	3,107,173
Benefits Paid	1,753,296	869,310
Fair value of plan assets at the end of the year	18,270,620	15,201,514

• **Actual Return on Plan Assets**

(Rupees)

Particulars	2009-2010	2008-2009
Expected return on plan assets	2,465,084	—
Actuarial gain/(loss) on plan assets	2,357,318	(1,850,914)
Actual return on plan assets	4,822,402	(1,850,914)



NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

- Reconciliation of fair value of plan assets and benefit obligations

(Rupees)

Particulars	2009-2010		2008-2009	
	Gratuity (Funded)	Leave Encashment (Non Funded)	Gratuity (Funded)	Leave Encashment (Non Funded)
Fair value of assets	18,270,620	—	15,201,514	—
Present value of obligation	29,429,751	7,263,557	20,958,643	6,572,914
Amount recognized in Balance Sheet	11,159,131	7,263,557	5,757,129	6,572,914

- Expense Recognized during the year (Under the head “Personnel Costs” – Refer Schedule – 14)

Particulars	2009-2010		2008-2009	
	Gratuity (Funded)	Leave Encashment (Non Funded)	Gratuity (Funded)	Leave Encashment (Non Funded)
Current Service Cost	6,680,124	2,014,524	5,310,362	1,987,036
Interest Cost	1,571,898	492,969	1,213,874	448,338
Expected return on Plan Assets	2,465,084	—	—	—
Actuarial (gain)/loss	(384,936)	(928,431)	969,644	(271,479)
Expense Recognized in Profit and Loss Account	5,402,002	1,579,062	7,493,880	2,163,895

- Investment details

The Employee Group Gratuity Trust has made investment of Gratuity Fund through MetLife India Insurance Company Limited according to the guidelines of IRDA.

- Actuarial Assumptions

Particulars	2009-2010		2008-2009	
	Gratuity (Funded)	Leave Encashment (Non Funded)	Gratuity (Funded)	Leave Encashment (Non Funded)
Discount Rate (per annum)	7.50%	7.50%	7.50%	7.50%
Expected Rate of Return on Plan Assets (per annum)	15.60%	—	—	—
Salary Escalation (per annum)	7.00%	7.00%	7.00%	7.00%

10. The Company has taken premises from SEEPZ-SEZ, (Ministry of Commerce & Industry) on non-cancellable operating lease and lease rent amounting of Rs. 1,696,194/- (PY: Rs. 1,804,214/-) has been charged to profit & loss account. The future minimum lease payments are as under:

	2009-2010	2008-2009
Not later than one year	1,033,510	1,251,030
Later than one year and not later than five years	2,394,854	2,570,450
More than five years	4,602,209	5,014,682





NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

11. Deferred Tax:

Major components of deferred tax assets and liabilities on account of timing difference are as below:

	As on 31-03-2010	As on 31-03-2009
Deferred Tax Assets		
Leave Salary	2,930,750	2,738,434
Merger Expenses	134,531	183,546
Bonus/Ex-gratia	3,033,579	—
Total	6,098,860	2,921,980
Deferred Tax Liabilities		
Depreciation	4,877,866	5,941,167
Total	4,877,866	5,941,167
Deferred Tax Liabilities/(Assets)	(1,220,994)	3,019,187
Provision/(Credit) during the year	(4,240,181)	5,139,317

12. The following disclosures are made for the amounts due to the Micro, Small and Medium Enterprises:

(a)	The principal amount and the interest due thereon remaining unpaid to suppliers	
	i. Principal	26,575
	ii. Interest due thereon	Nil
(b)	i. The delayed payments of Principal amount paid beyond the appointed date during the entire accounting year	Nil
	ii. Interest actually paid under Section 16 of the due thereon Micro, Small and Medium Enterprises Development Act, 2006	Nil
(c)	i. Normal interest accrued during the year, for all the delayed payments, as per the agreed terms.	Nil
	ii. Normal Interest payable for the period of delay in making payment as per agreed terms.	Nil
(d)	i. Total Interest accrued during the year	Nil
	ii. Total Interest accrued during the year and remaining unpaid	Nil

The above information regarding Micro, Small and Medium enterprise has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

13. Managerial Remuneration:

	2009-2010	2008-2009
Salary	4,260,000	4,160,000
Contribution to Provident Fund	28,080	28,080
Total	4,288,080	4,188,080

14. Earning per share (EPS) is computed in accordance with the Accounting Standard 20 notified by Companies (Accounting Standard) Rules, 2006 as under:

		2009-2010	2008-2009
Net Profit available for Equity Shareholders	Rs.	234,334,694	203,463,904
No. of Equity Shares outstanding until March 31	No.	19,079,440	18,359,440
Fresh issue of Shares as per ESPS	No.	—	720,000
Weighted Average No. of Shares after Adjustment of ESPS	No.	19,079,440	18,548,810
Face value of Equity Shares	Rs.	10	10
Earning Per Share (Basic & Diluted)	Rs.	12.28	10.97

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

15. Additional information required under Para 3, 4C and 4D of part II Schedule VI to the Companies Act, 1956 (As certified by the Managing Director and relied upon by the Auditors) to the extent applicable, are as follows:

a) Value of Imports Calculated on CIF basis:

(Rupees)

Particulars	2009-2010	2008-2009
Raw Materials	2,148,907,778	4,309,509,650
Consumable, Tools & Spares	46,870,483	48,505,603
Capital Goods	18,113,248	42,337,748
Total	2,213,891,509	2,904,015,624

b) Expenditure in Foreign Currency:

(Rupees)

Particulars	2009-2010	2008-2009
Bank Interest	5,850,118	5,578,249
Foreign Bank Charges	1,682,711	2,835,279
Traveling – Foreign	1,535,641	596,643
Insurance Charges	5,279,018	2,304,717
Others	8,528,271	3,384,330
Total	22,875,759	14,699,218

c) Earnings in Foreign Currency:

(Rupees)

	2009-2010	2008-2009
F.O.B. Value of Exports	4,746,851,546	6,687,560,823
Total	4,746,851,546	6,687,560,823

d) Value of Imported and Indigenous Raw Materials and Spare Parts Consumption:

Class of Goods	2009-2010		2008-2009	
	Rupees	Percentage	Rupees	Percentage
a) Raw Materials				
Imported	3,573,983,820	95.79	5,556,515,152	98.13
Indigenous	157,080,392	4.21	105,705,671	1.87
Total	3,731,064,212	100.00	5,662,220,823	100.00
b) Stores and Spares				
Imported	44,125,794	63.49	41,672,168	67.42
Indigenous	25,369,926	36.51	20,135,411	32.58
Total	69,495,720	100.00	61,807,579	100.00

e) Details of Installed Capacities and Actual Production:

Jewellery Division:	2009-2010 Qty. (KGS)	2008-2009 Qty. (KGS)
Manufactured Goods		
Installed Capacity	11725	5600
Licensed Capacity	12225	6120
Actual Production	10104	5546

Note: The installed capacities mentioned above have been determined by the Company's technical officials and have been accepted by the Auditors, without verification, being a technical matter.



NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

f) Consumption of Materials:

Class of Goods	UOM	2009-2010		2008-2009	
		Qty.	Rupees	Qty.	Rupees
Gold (Net-off Recovery)	Gms	682,395.954	1,035,459,974	993,633.644	1,237,947,099
Cut & Polished Diamonds	Cts	464,274.073	2,091,766,630	414,703.385	3,969,972,430
Precious & Semi Precious Stones	Cts	318,715.105	34,390,853	259,895.244	26,311,471
Gold Findings/Gold Solders	Gms	137,542.837	246,561,613	183,634.612	287,493,450
Silver/Silver Model/Silver Solders/ Silver Findings (Net-off Recovery)	Gms	9,053,283.816	296,199,075	4,277,743.347	125,400,963
Alloy	Gms	2,463,292.326	16,081,271	2,534,762.243	14,671,542
Platinum/Platinum Findings	Gms	5,731.280	10,599,841	230.610	423,868
Stainless Steel Findings/ Mountings	Gms	102.470	4,955	—	—
Total			3,731,064,212		5,662,220,823

g) Turnover

Class of Goods	UOM	2009-2010		2008-2009	
		Qty.	Rupees	Qty.	Rupees
Jewellery	Pcs	2,417,801	4,753,209,884	1,846,882	6,694,331,383
Total		2,417,801	4,753,209,884	1,846,882	6,694,331,383

h) Details in respect of purchases of products for Re-sale.

Class of Goods	UOM	2009-2010		2008-2009	
		Qty	Rupees	Qty.	Rupees
Silver	Gms	160,746.10	4,681,660	—	—
Gold Findings	Gms	76.000	70,765	—	—
Total			4,752,425		—

16. Previous year's figures are regrouped/rearranged, wherever necessary.

Signatures to Schedules 1 to 18 forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

As per our Report of even date
For **J.K. SHAH & Co.**
Chartered Accountants

Sanjay A. Gandhi
Partner
Membership No. 48570

For and on behalf of the Board

Sumit N. Shah
Managing Director

Ghanashyam M. Walavalkar
Company Secretary

Hitesh M. Shah
Executive Director

Mumbai, May 27, 2010

Mumbai, May 27, 2010

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

BALANCE SHEET ABSTRACT

(Additional Information Pursuant to Part IV of the Schedule VI to the Companies Act, 1956)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	544986	State Code	11
Balance Sheet Date	March 31, 2010		

II Capital Raised during the year

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
ESPS	Nil		

III Position of Mobilization & Deployment of Funds

Total Liabilities	3,482,244,832	Total Assets	3,482,244,832
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SOURCE OF FUNDS

Paid-up Capital	190,794,400	Reserve & Surplus	2,118,199,106
Share Application Money	Nil	Unsecured Loans	Nil
Secured Loans	1,173,251,326	Deferred Tax Liabilities	Nil

APPLICATION OF FUNDS

Net Fixed Assets	308,151,330	Investments	518,537,950
Net Current Assets	2,654,334,558	Deferred Tax Assets	1,220,994
Accumulated Losses	Nil	Misc. Expenditures	Nil

IV Performance of Company

Turnover	4,753,209,884	Total Expenditures	4,569,530,674
Profit Before Tax (PBT)	2,59,964,513	Profit After Tax (PAT)	234,334,694
Earning Per Share (Rs.)	12.28	Dividend (Rs./Share)	2.00

V Generic Names of Principal Products of company (as per monetary terms)

Item Code (ITC Code):	711319	Product Description :	Jewellery
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For and on behalf of the Board of Directors

Sumit N. Shah
Managing Director

Hitesh M. Shah
Executive Director

Ghanashyam M. Walavalkar
Company Secretary

Mumbai, May 27, 2010





STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO HOLDING COMPANY'S INTEREST IN THE SUBSIDIARY COMPANIES

(Rs. In Lac)

Sr. No.	Name of subsidiary companies	Renaissance Jewelry N.Y Inc.*	Renaissance Adrienne LLc**	Verigold Jewellery (UK) Ltd.***
1.	The Financial Year of the Subsidiary Companies ended on	March 31, 2010	March 31, 2010	March 31, 2010
2.	Date from which it became a Subsidiary	Sep 12, 2007	Sep 17, 2009	Jun 19, 2009
3.	Shares of the Subsidiary Companies held by the Company on the above stated dates :			
	(a) Nos	100 Equity Shares	—	150,000 Equity Shares
	(b) Face Value	At par	—	£ 1/-
	(c) Extent of holding	100%	85%	100%
4.	The net aggregate amount of Profit/(Loss) of the Subsidiary Companies for the above financials year so far as they concerns Members of the Company:			
	(a) Dealt with in the accounts of the Company for the year ended March 31, 2010	—	—	—
	(b) Not Dealt with in the accounts of the Company for the year ended March 31, 2010	(659.28)	(33.97)	(72.69)
5.	The net aggregate amount of Profit/(Loss) of the Subsidiary Companies for the previous financials years of the subsidiary, since it become subsidiary so far as they concerns Members of the Company:			
	(a) Dealt with in the accounts of the Company for the previous financials years	—	—	—
	(b) Not Dealt with in the accounts of the Company for the previous financials years	2,673.37	—	—
Statement containing brief financials details of the Company's subsidiaries for the year ended March 31, 2010 pursuant to exemption under Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies.				
6.	Capital	5,416.80	0.05	102.02
7.	Reserve	1,070.71	(5.46)	(54.08)
8.	Total Assets	19,018.43	1,097.10	184.93
9.	Total Liabilities	12,530.92	1,102.52	137.00
10.	Current Investments	—	—	—
11.	Turnover	41,867.51	1,490.83	—
12.	Profit/(Loss) before Taxation	(450.79)	(33.97)	(92.41)
13.	Provision for Taxation	208.49	—	(19.72)
14.	Profit/(Loss) after Taxation	(659.28)	(33.97)	(72.69)
15.	Proposed Dividend	—	—	—

The Company's application for exemption under Section 212 from attaching Report and Annual accounts of its subsidiaries has been granted by Ministry of Corporate Affairs vide its letter No. 47/581/2010-CL-III Dated June 08, 2010. Accordingly, the annual accounts of the Subsidiary Companies have not been attached to the Balance Sheet of the Company as at March 31, 2010.

The annual accounts of the subsidiary companies and the related details/ information will be made available to the investors of the Company seeking such information at any point of time. The annual accounts of the subsidiaries companies are also available for inspection during business hours, at the Registered Office of the Company and at the head offices of the subsidiary company.

* Renaissance Jewellery N.Y Inc has reported a profit of USD 664,656/-. However due to loss on exchange difference on conversion of the USD numbers to INR, the company has reported loss of Rs. 659.28 Lacs.

** Renaissance Adrienne LLc has reported a loss of USD 71,615/-. However due to loss on exchange difference on conversion of the USD numbers to INR, the company has reported loss of Rs. 33.97 Lacs.

*** Verigold Jewellery (UK) Ltd. has reported a loss of GBP 95,963/-. However due to loss on exchange difference on conversion of the GBP numbers to INR, the company has reported loss of Rs. 72.69 Lacs.



AUDITOR'S REPORT TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RENAISSANCE JEWELLERY LIMITED AND ITS SUBSIDIARIES.

1. We have audited the attached consolidated balance sheet of Renaissance Jewellery Limited ("the Company") and its subsidiary ("The Group") as at March 31, 2010, and also the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted the audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of foreign subsidiaries, whose financial statements reflect total assets of Rs. 19,546.58 lacs as at March 31, 2010, total revenue of Rs. 43,492.37 lacs for the year ended March 31, 2010 and the net cash outflow amounting Rs. 1774.67 lacs as at March 31, 2010. These financial statements and other financial information have been audited/reviewed by independent firm of Accountants/Auditors and whose review/audit reports have been furnished to us. Our opinion are solely based on review report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Group in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' as notified by the Companies (Accounting Standard) Rules, 2006 to the extent applicable and on the basis of separate financial statement of the Company and its subsidiary included in the consolidated financial statements
5. On the basis of the information and explanation given to us and on the consideration of audit report on individual financial statement of the Company and its subsidiaries, we are of the opinion that the attached consolidated financial statements read together with notes thereon, give true and fair view in conformity with the accounting principles generally accepted in India.
 - i. In case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at March 31, 2010;
 - ii. In the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
 - iii. In the case of the Consolidated Cash Flow Statement, of the Cash Flow of the Group for the year ended on that date.

For J.K. SHAH & CO.
Chartered Accountants
FRN:109606W

Sanjay A. Gandhi
Partner

Mumbai, May 27, 2010

Membership No. 48570





CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

Rupees

	SCHEDULE	2009-10	2008-09
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	190,794,400	190,794,400
Reserves and Surplus	2	2,213,560,336	1,916,309,426
		2,404,354,736	2,107,103,826
Minority Interest		677	—
Secured Loans	3	1,398,951,326	1,724,554,167
Unsecured Loans	4	—	13,896,974
		1,398,951,326	1,738,451,141
DEFERRED TAX LIABILITY		—	2,341,415
	TOTAL	3,803,306,739	3,847,896,382
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	588,465,387	551,332,402
Less : Depreciation		259,560,249	210,553,908
Net Block		328,905,138	340,778,494
Capital Work-in-progress		53,671,087	26,422,643
		382,576,225	367,201,137
DEFERRED TAX ASSETS		9,954,987	—
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	2,878,836,682	3,209,669,720
Sundry Debtors	7	921,326,560	969,909,783
Cash and Bank Balances	8	304,862,959	435,916,759
Loans and Advances	9	153,104,018	186,326,916
		4,258,130,219	4,801,823,178
LESS: CURRENT LIABILITIES AND PROVISIONS	10		
Liabilities		789,694,450	1,281,198,135
Provisions		57,660,243	40,055,900
		847,354,693	1,321,254,035
NET CURRENT ASSETS		3,410,775,526	3,480,569,143
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
Preliminary Expenses		126,101	167,117
Less: Written off during the period		126,101	41,016
		—	126,101
	TOTAL	3,803,306,739	3,847,896,382
NOTES TO ACCOUNTS	18		

As per our Report of even date

For J.K. SHAH & Co.

Chartered Accountants

Sanjay A. Gandhi

Partner

Membership No. 48570

Mumbai, May 27, 2010

For and on behalf of the Board

Sumit N. Shah

Managing Director

Ghanashyam M. Walavalkar

Company Secretary

Mumbai, May 27, 2010

Hitesh M. Shah

Executive Director





CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

		Rupees	
	SCHEDULE	2009-10	2008-09
INCOME			
Sales	11	6,534,756,384	7,509,621,562
Other Income	12	89,688,003	9,654,547
	TOTAL	6,624,444,387	7,519,276,109
EXPENDITURE			
Consumption of Materials	13	3,398,064,843	5,498,690,430
Cost of Traded Goods	14	1,789,641,046	651,238,326
Personnel Costs	15	626,120,770	516,609,015
Manufacturing and Other Expenses	16	374,699,979	401,225,059
Interest and Financial Charges	17	92,377,687	149,748,971
Depreciation		50,659,848	45,601,588
Preliminary Expenses		126,101	41,016
	TOTAL	6,331,690,275	7,263,154,404
PROFIT BEFORE TAXATION		292,754,113	256,121,705
Less: Provision for Taxation			
Current Tax		56,743,105	25,288,901
Earlier Year Tax		—	(688)
Wealth Tax		60,000	62,000
Fringe Benefit Tax		—	612,500
Deferred Tax		(12,296,404)	7,152,097
MAT Credit		—	(10,870,000)
PROFIT AFTER TAXATION FOR APPROPRIATION		248,247,412	233,876,895
Add: Balance Brought Forward		1,174,009,718	767,603,655
Add: Transfer pursuant to the scheme of Amalgamation (Net)		—	221,012,154
Profit available for Appropriation		1,422,257,129	1,222,492,704
Appropriation			
Proposed Dividend		38,158,880	28,619,160
Tax on Proposed Dividend		6,485,102	4,863,826
Transfer to General Reserve		18,000,000	15,000,000
Balance carried to Balance Sheet		1,359,613,147	1,174,009,718
		1,422,257,129	1,222,492,704
NOTES TO ACCOUNTS		18	
Earning Per Share (Rs.)			
Basic & Diluted		13.01	12.61

As per our Report of even date
For **J.K. SHAH & Co.**
Chartered Accountants

Sanjay A. Gandhi
Partner
Membership No. 48570

Mumbai, May 27, 2010

For and on behalf of the Board

Sumit N. Shah
Managing Director

Ghanashyam M. Walavalkar
Company Secretary

Mumbai, May 27, 2010

Hitesh M. Shah
Executive Director





CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Rupees

	March 31, 2010	March 31, 2009
Cashflow from operating activities		
Net Profit before tax	292,754,113	256,121,705
ADJUSTMENTS:		
Interest Income	(5,263,061)	(5,920,741)
Dividend Income	—	(2,658,053)
Preliminary Expenses Written Off	126,101	41,016
Exchange fluctuation (Net)	(31,046,683)	(4,124,710)
Loss on sale of assets (Net)	109,206	1,113,471
Currency Translation Reserve	93,647,482	(44,420,764)
Depreciation	50,659,848	45,601,588
Provision for Bad Debts	—	2,548,500
Interest and Financial Charges	92,377,687	149,748,971
	200,610,580	141,929,278
Operating Profit before working capital changes	493,364,693	398,050,984
CHANGES IN WORKING CAPITAL		
Trade and other receivables	27,306,867	774,680,031
Inventories	330,833,038	(1,450,496,769)
Trade payables	(454,205,823)	636,297,448
	(96,065,918)	(39,519,290)
Cash used in operation	397,298,775	358,531,696
Direct taxes	(25,869,529)	(44,228,781)
Net cash used in operating activities (A)	371,429,246	314,302,915
Cash flow from investing activities		
Interest Income	8,452,916	1,860,568
Acquisition of Subsidiaries	—	(100,000)
Sale of Investments	—	117,154,239
Dividend Income	—	2,658,053
Purchase of fixed assets including CWIP	(68,441,621)	(106,815,730)
Sale of fixed assets	2,297,480	724,711
	(57,691,226)	15,481,840
Cash flow from financing activities		
Net Proceeds from Issue of Equity Shares	—	35,739,000
Contribution from Minority Interest	677	—
Interest & Financial Charges	(89,842,060)	(150,825,824)
Dividend Paid	(33,399,211)	(32,219,440)
Proceeds from short term borrowings (Net)	(319,318,088)	132,980,094
	(442,558,682)	(14,326,170)
NET CASH/CASH EQUIVALENT (A+B+C)	(128,820,662)	315,458,585
Cash & cash Equivalent at beginning	432,716,563	86,007,360
Add : Cash at Beginning Pursuant to Amalgamation	—	31,250,618
Cash & cash Equivalent at the end	303,895,901	432,716,563
Notes:		
1. The cash and cash equivalents in the cash flow statement comprise of the following Balance Sheet amounts :		
	March 31, 2010	March 31, 2009
(a) Cash on hand	1,499,279	1,730,100
(b) Balance with Banks	303,363,680	434,186,659
(c) Credit Balance with Scheduled Banks	(967,059)	(3,200,196)
	303,895,901	432,716,563
2. The above Cashflow is made as per the Indirect Method of "Cash Flow Statement" as per AS-3.		
3. Balances with Banks includes Rs. 96,933,457 (P.Y. : Rs. 94,286,910), being deposits & margin money as collateral security or lien against the bank facilities.		
4. Previous year's figures have been regrouped/rearranged wherever considered necessary.		

As per our Report of even date

For **J.K. SHAH & Co.**

Chartered Accountants

Sanjay A. Gandhi

Partner

Membership No. 48570

Mumbai, May 27, 2010

For and on behalf of the Board

Sumit N. Shah

Managing Director

Ghanashyam M. Walavalkar

Company Secretary

Mumbai, May 27, 2010

Hitesh M. Shah

Executive Director



CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	2009-10	2008-09
Rupees		
SCHEDULE 1		
Authorised		
27,000,000 (PY : 25,000,000) Equity Shares of Rs. 10/- each	270,000,000	250,000,000
	270,000,000	250,000,000
Issued, Subscribed and Paid up	190,794,400	190,794,400
19,079,440 (PY : 19,079,440) Equity Shares of Rs. 10/- each fully paid-up		
Note:		
Of the above, 749,400 Equity Shares of Rs. 10/- each fully paid-up were allotted for consideration other than cash.		
Of the above, 11,405,800 Equity shares of Rs. 10/- each have been allotted as fully paid-up Bonus Shares by Capitalisation of Profit and Loss Account.		
Of the above, 720,000 Equity Shares of Rs. 10/- each fully paid-up have been issued to RJL - Employee Welfare Trust pursuant to Employee Stock Purchase Scheme.		
	190,794,400	190,794,400
SCHEDULE 2		
RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	64,500,000	49,500,000
Add : Transfer from Profit and Loss Account	18,000,000	15,000,000
	82,500,000	64,500,000
Securities Premium		
As per last Balance Sheet	712,724,833	684,185,833
Add : Credited during the year	—	28,800,000
Less : Issue Expenses written off	—	261,000
	712,724,833	712,724,833
Foreign Currency Translation Reserve	58,722,358	(34,925,124)
Profit and Loss Account Balance	1,359,613,147	1,174,009,718
	2,213,560,338	1,916,309,427
SCHEDULE 3		
SECURED LOANS		
Working Capital borrowings from Banks	1,398,951,326	1,724,554,167
Parent Company:		
(Secured by first charge on pari passu basis by way of hypothecation and/or pledge of company's current assets both present and future and by way of joint equitable mortgage of Company's factory premises situated at Plot Nos. 36A and 37 (Mumbai) and at Plot No. 2302 (Bhavnagar), fixed machinery and plant, fixtures and fittings, erected and installed therein and by personal guarantee of some of the directors/promoters)		
Subsidiary Company:		
Secured by a first priority lien on all the assets of the Company and further guaranteed by Mr. Sumit Shah and the limited guarantee of Renaissance Andrienne LLC)		
	1,398,951,326	1,724,554,167
SCHEDULE 4		
UNSECURED LOANS		
From Director	—	13,896,974
	—	13,896,974



**CONSOLIDATED SCHEDULE ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET AS AT MARCH 31, 2010**

Rupees

Particulars	GROSS BLOCK			DEPRECIATION			NET BOOK VALUE			
	As at April 1, 2009	Additions	Sales/Adj. during the year	As at March 31, 2010	As at April 1, 2009	For the year	Sales/Adj. during the year	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
TANGIBLE ASSETS										
Freehold Land	9,517,261	—	—	9,517,261	—	—	—	—	9,517,261	9,517,261
Building	121,016,752	26,844	—	121,043,596	45,707,195	7,511,367	—	53,218,562	67,825,034	75,309,557
Leasehold Improvements	6,641,035	—	—	6,641,035	1,751,757	1,481,978	—	3,233,735	3,407,300	4,889,278
Plant and Machinery	157,394,735	24,841,488	1,974,271	180,261,952	56,216,329	16,393,979	388,958	72,221,350	108,040,602	101,178,406
Furniture and Fittings	67,954,514	5,611,519	—	73,566,033	39,943,362	6,264,583	—	46,207,945	27,358,088	28,011,152
Electrical Installations	24,189,434	1,999,561	—	26,188,995	12,508,356	2,169,718	—	14,678,074	11,510,921	11,681,078
Office Equipment	34,914,362	3,650,010	104,497	38,459,875	16,141,672	3,416,057	68,157	19,489,572	18,970,303	18,772,690
Computers	33,657,786	1,813,621	224,100	35,247,307	22,917,125	4,756,344	222,047	27,451,422	7,795,885	10,740,661
Vehicles	15,280,887	2,333,565	1,757,325	15,857,127	7,501,286	2,078,456	974,345	8,605,397	7,251,730	7,779,601
INTANGIBLE ASSETS										
Software	1,045,637	916,569	—	1,962,206	390,089	262,017	—	652,106	1,310,100	655,548
Goodwill	79,720,000	—	—	79,720,000	7,476,737	6,325,349	—	13,802,086	65,917,914	72,243,263
Total	551,332,403	41,193,177	4,060,193	588,465,387	210,553,908	50,659,848	1,653,507	259,560,249	328,905,138	340,778,494
Previous Year	415,584,623	*140,922,251	5,174,472	551,332,402	161,883,525	* 52,006,673	3,336,290	210,553,908	340,778,494	253,701,098

* Includes Acquisition pursuant to amalgamation





CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	2009-10	2008-09
		Rupees
SCHEDULE 6		
INVENTORIES		
(As taken valued and certified by the Management)		
Raw Materials	1,492,989,536	1,896,008,337
Traded Goods	1,357,152,269	1,288,217,648
Stores and Spares	28,694,877	25,443,734
	2,878,836,682	3,209,669,720
SCHEDULE 7		
SUNDRY DEBTORS		
Debts Outstanding over Six Months		
Considered good	2,938,642	7,804,656
Other Debts		
Considered good	918,387,918	962,105,127
Considered Doubtful	2,257,000	2,548,500
	923,583,560	972,458,283
Less : Provision for Doubtful Debt	2,257,000	2,548,500
	921,326,560	969,909,783
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash on Hand	1,499,279	1,730,100
Balances with Banks		
— Scheduled Banks		
— Current Accounts	63,120,638	328,816,863
(Including Unclaimed Dividend Rs. 174,108/-; PY : Rs. 90,333/-)		
— Margin Money Account (under lien with Banks)	6,452,000	13,487,000
— Fixed Deposits	233,239,439	90,031,192
(Out of above Rs. 90,013,739/- given as collateral security for facilities; PY : Rs. 79,031,192/-)		
— Non-Scheduled Banks		
— Current Accounts		
— The Bank of Nova Scotia	83,886	83,886
(Maximum Balance outstanding during the year Rs. 83,886/-; PY : Rs. 83,886/-)		
— Margin Money Account (under lien with Bank)		
— The Bank of Nova Scotia	467,718	1,767,718
(Maximum Balance outstanding during the year Rs. 1,767,718/-; PY : Rs. 9,624,682/-)		
	304,862,959	435,916,759





**CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF
THE BALANCE SHEET AS AT MARCH 31, 2010**

	2009-10	2008-09
		Rupees
SCHEDULE 9		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	90,671,199	66,406,457
Loan Given	36,000,000	69,572,434
Sundry Deposits	4,522,819	3,257,153
Taxes Paid (Net of Provision)	—	18,920,872
MAT Credit Entitlement	21,910,000	28,170,000
	153,104,018	186,326,916
 SCHEDULE 10		
CURRENT LIABILITIES AND PROVISIONS		
LIABILITIES:		
Sundry Creditors		
— Dues of Micro and Small enterprises	26,575	98,911
— Dues of Others	722,835,049	1,231,409,110
Other Liabilities	64,658,531	46,376,467
Unclaimed Dividend #	174,108	90,333
Advance from Customers	1,033,128	23,118
Credit Balance with Scheduled Banks	967,059	3,200,196
(# There is no amount due and outstanding to be credited to Investors Education and Protection Fund)		
	789,694,450	1,281,198,135
 PROVISIONS:		
Employee Benefit	7,263,557	6,572,914
Provision for Taxes (Net of Taxes Paid)	5,752,704	—
Proposed Dividend	38,158,880	28,619,160
Tax on Dividend	6,485,102	4,863,826
	57,660,243	40,055,900



CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Rupees	
	2009-10	2008-09
SCHEDULE 11		
SALES		
Jewellery	6,534,756,384	7,509,621,562
	6,534,756,384	7,509,621,562
SCHEDULE 12		
OTHER INCOME		
Discount Received from Suppliers	—	220,393
Dividend Income (Non-Trade Investment)	—	2,658,053
Interest Received	5,263,061	5,920,741
Sundry Balance Written Back	12,961,412	—
Exchange Rate Difference (Net)	70,945,040	—
Miscellaneous Income	518,489	855,360
	89,688,002	9,654,547
SCHEDULE 13		
CONSUMPTION OF MATERIALS		
Opening Stock	1,896,008,337	943,561,625
Add : Acquired pursuant to scheme of amalgamation	—	72,643,710
Add : Purchases	2,999,841,752	6,379,760,326
	4,895,850,089	7,395,965,661
Less : Sale of Materials	4,795,710	1,266,894
Less : Closing Stock	1,492,989,536	1,896,008,337
	3,398,064,843	5,498,690,430
SCHEDULE 14		
COST OF TRADED GOODS		
Opening Stock	1,288,217,648	724,886,673
Add : Purchases	1,730,515,851	1,048,652,825
Other Direct Cost	128,059,816	165,916,476
	3,146,793,315	1,939,455,974
Less : Closing Stock	1,357,152,269	1,288,217,648
	1,789,641,046	651,238,326





CONSOLIDATED SCHEDULES ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Rupees

	2009-10	2008-09
SCHEDULE 15		
PERSONNEL COSTS		
Salaries Wages and Bonus	583,316,131	477,730,377
Contribution to Provident Fund and Other Funds	13,856,805	12,694,099
Contribution to ESIC	6,352,302	6,051,856
Workmen and Staff Welfare	22,595,532	20,132,683
	626,120,770	516,609,015
SCHEDULE 16		
MANUFACTURING AND OTHER EXPENSES		
Advertisement and Sales Promotion	9,843,023	5,900,853
Tools, Stores and Spares Consumed	68,467,914	61,807,579
Exchange Rate Difference (Net)	—	85,777,449
Power, Fuel and Water Charges	39,731,283	35,299,588
Jewellery Making Charges	37,458,209	26,367,288
Repairs and Maintenance		
— Machinery	3,913,984	3,386,313
— Building	1,256,186	1,308,438
— Others	11,418,369	12,506,841
Rent, Rates and Taxes	15,772,565	14,078,106
Legal and Professional Charges	17,421,772	9,927,438
Directors' Sitting Fees	360,000	515,000
Sales Commission	19,566,364	21,468,911
Printing and Stationery	5,278,188	4,700,305
Membership and Subscription	614,912	802,772
Insurance Charges	37,350,422	25,151,862
Travelling and Conveyance	24,387,392	20,242,878
Communication Expenses	6,386,799	4,978,017
Clearing and Transportation Charges	26,411,328	27,234,375
Auditors' Remuneration		
— Audit fees	3,114,860	3,342,523
— Tax Audit fees	100,000	75,000
— Taxation and Other matters	100,000	100,000
Loss on sale/discard of Assets (Net)	109,206	1,113,471
Donation	3,628,782	2,518,029
Discount and Rebates	—	5,132,027
Provision for Doubtful debts	—	2,300,320
Bad Debts	94,130	934,785
Miscellaneous Expenses	41,914,290	24,254,891
	374,699,979	401,225,059
SCHEDULE 17		
INTEREST AND FINANCIAL CHARGES		
Interest Charges	69,855,807	118,566,083
Bank Charges	22,521,880	31,182,888
	92,377,687	149,748,971

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

SCHEDULE 18

1) Principles of Consolidation

- A) The financial statements have been prepared to comply in all material aspect with applicable accounting principles in India, and the Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006.
- B) The consolidated financial statements relate to Renaissance Jewellery Limited ("the Company") and its subsidiary ("the Group"). The consolidated financial statements have been prepared on the following basis:
- i) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements" as notified by the Companies (Accounting Standard) Rules, 2006.
 - ii) In case of foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Exchange difference arising on translation of non-integral foreign operations are accumulated in the foreign currency translation reserve until the disposal of such operations.
 - iii) The Consolidated Financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this schedule.
 - iv) Disclosure requirement in respect of foreign subsidiary is given to the extent of available information.
- 2) The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as on March 31, 2010, which are as under:

A) Direct Subsidiaries

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest
Renaissance Jewelry New York Inc.	USA	100%
Verigold Jewellery (UK) Limited	UK	100%

B) Indirect Subsidiaries (Subsidiary of Renaissance Jewelry New York Inc.)

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest
Renaissance Adrienne LLC	USA	85%

3) Contingent Liabilities

(Rupees)

Contingent Liabilities not provided for in respect of:		As at March 31, 2010	As at March 31, 2009
i)	Guarantees given by Banks on behalf of the Group to third parties	Nil	50,000,000
ii)	Penalty levied by the Custom Authorities	311,196	311,196
iii)	Income Tax demand disputed in appeal :		
	Disputed by the Group	Nil	2,507,877
	Disputed by the Department	9,257,560	9,257,560
iv)	Estimated amount of contract remaining to be executed on capital account (Net of advances)	25,369,022	60,088
v)	Letter of Credit opened by Bank	5,160,991	5,827,553



NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

4) Leases:

Leases wherein a significant portion of the risks and reward of ownership are retained by the lessor are classified as Operating Leases. Lease rentals of Rs. 13,473,185/- (PY: Rs. 12,284,470/-) in respect of such leases are charged to the Profit and Loss Account.

	2009-2010	2008-2009
Not later than one year	12,691,117	12,439,047
Later than one year and not later than five years	25,216,690	38,855,228
More than five years	4,602,209	5,014,682

5) Deferred Tax:

Major components of deferred tax assets and liabilities on account of timing difference are as below:

	As at March 31, 2010	As at March 31, 2009
Deferred Tax Assets		
Leave Salary	2,930,750	2,738,434
Merger Expenses	134,531	183,546
Bonus / Ex-gratia	3,033,579	—
Other Allowances & Rebates	7,473,736	—
Unabsorbed Loss	1,972,043	—
Total	15,544,639	2,921,980
Deferred Tax Liabilities		
Depreciation	5,589,650	5,263,395
Total	5,589,650	5,263,395
Deferred Tax Liabilities/(Assets)	(9,954,989)	2,341,415
Provision/(Credit) during the year	(12,296,404)	7,152,097

6) Transaction with related party:

Related party Disclosure as required by Accounting Standard-18 as notified by the Companies (Accounting Standard) Rules, 2006 is as under:

a) Key Management Personnel:

- 1) Mr. Niranjan A. Shah
- 2) Mr. Sumit N. Shah
- 3) Mr. Hitesh M. Shah
- 4) Mr. Neville R. Tata

b) Associate Concerns/Companies/Trust under Control of Key Management Personnel and Relatives:

- 1) N. Kumar Diamonds Exports Limited
- 2) Fancy Jewellery Private Limited
- 3) Housefull International Limited
- 4) Anika Jewellery Private Limited
- 5) Niranjan Holdings Private Limited
- 6) SKN Diamond Inc.
- 7) Verigold Jewellery Inc.
- 8) Sumit Diamonds
- 9) Renaissance Jewellery Limited – Employee Group Gratuity Trust

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

c) Details of transactions with related Parties:

Sr. No.	Transaction with related parties	Associated/Trust	Key Management Personnel
I	Purchases:		
	Purchase of Materials	488,745	—
		(10,252,269)	(—)
	Purchase of Assets	679,217	—
		(570,000)	(—)
II	Expenditure:		
	Contribution towards Group Gratuity	5,402,002	—
		(7,493,880)	(—)
	Remuneration	—	4,288,080
		(—)	(4,188,080)
III	Unsecured Loans:		
	Loans (Net)	—	13,896,974
		(—)	(149,996,974)
IV	Loans & Advances:		
	Loans (Net)	—	—
		(33,572,410)	(—)
V	Balance as on March 31, 2010		
	Receivables	—	—
		(33,584,511)	(—)
	Payables	11,285,274	—
		(5,747,129)	(13,896,974)

Note: Figures in bracket indicate of previous year.

7) Segment Reporting:

During the year Group operated in only one segment i.e. "Jewellery".

8) Earning per share (EPS) is computed in accordance with the Accounting Standard-20 as notified by the Companies (Accounting Standard) Rules, 2006 is as under:

		2009-2010	2008-2009
Net Profit available for Equity Shareholders	Rs.	248,247,412	233,876,895
No. of Equity Shares	No.	19,079,440	18,359,440
Fresh issue of Shares as per ESPS	No.	—	720,000
Weighted Average No. of Shares after Adjustment of ESPS	No.	19,079,440	19,079,440
Face value of Equity Shares	Rs.	10	10
Earning Per Share (Basic & Diluted)	Rs.	13.01	12.61

9) Previous year's figures are regrouped/rearranged, wherever necessary.

Signatures to Schedules 1 to 18 forming part of the Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010.

As per our Report of even date
For J.K. SHAH & Co.
Chartered Accountants

Sanjay A. Gandhi
Partner
Membership No. 48570

Mumbai, May 27, 2010

For and on behalf of the Board

Sumit N. Shah
Managing Director

Ghanashyam M. Walavalkar
Company Secretary

Mumbai, May 27, 2010

Hitesh M. Shah
Executive Director

ECS FORM
RENAISSANCE JEWELLERY LTD.

[Shareholder's option to receive Dividend Payment through Electronic Clearing Service (ECS)]

DP ID No.:
LF No. / CL ID No.:

No. of Shares held :

I/We hereby opt for payment of dividend under NECS and give below the necessary particulars:

1. Name of the Sole/First Shareholder :
2. Name of the Bank :
3. Name of the Branch :
4. Address of the Branch :
5. Telephone No. of the Branch :
6. Type of Account (Savings/Current/Cash Credit) :
7. Applicable Code No. (10/11/13) (Saving - 10/Current - 11/Cash Credit - 13) :
8. Account Number (As appearing in your Cheque Book) :
9. Ledger & Ledger Folio No. (if any) of your bank account :
10. MICR Code :

9 – Digit Code No. appearing on the clear band area at the bottom of MICR Cheque issued by Bank (the code number is mentioned on the MICR band next to the cheque number)
(Ensure a photocopy of a blank cheque is enclosed)

--	--	--	--	--	--	--	--	--	--

I/We hereby declare that the above particulars are complete and correct. I/We also undertake to advise any change in the particulars of my/our account to facilitate updation of records for payment of dividend. If the transaction is delayed or is not effected at all due to incomplete or incorrect information or for any reason beyond the control of the Company, I/We shall not hold the Company responsible.

Place :

Date :

Signature of the Sole/First named Shareholder

Encl.: A photocopy of the cheque or a blank cheque duly cancelled.

Note: If cheque is not available, the following certificate may please be furnished from your Bank:

BANK CERTIFICATE

We hereby certify that the particulars furnished above are correct as per our records.

Bank's Stamp

Date:

Signature of the Authorised Official of the Bank

RENAISSANCE JEWELLERY LTD.

Regd. Office: 36-A & 37, SEEPZ, Andheri (E), Mumbai – 400 096.

PROXY FORM

DP ID No.:
LF No. / CL ID No.:

I/We.....of
being a member(s) of **RENAISSANCE JEWELLERY LTD.** hereby appoint..... of
.....or failing him/her..... of
.....as my/our proxy to attend & vote for me/us and on my/our behalf at the
21ST ANNUAL GENERAL MEETING of the Company to be held at on **Wednesday, August 25, 2010** at **3.30 p.m.** at
**Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari-Vikroli Link Road, Andheri (E),
Mumbai – 400 093** and at any adjournment thereof.

As witness my/our hand(s) thisday of 2010.

No. of Shares held:.....

[(Signature of the Shareholder(s))]



Notes:

1. The Proxy Form must be duly filled & signed by the registered shareholder and must be returned so as to reach the Registered Office of the Company, not less than FORTY-EIGHT HOURS before the time scheduled for holding the aforesaid meeting.
2. A proxy need not be a member of the Company.



RENAISSANCE JEWELLERY LTD.

Regd. Office: 36-A & 37, SEEPZ, Andheri (E), Mumbai – 400 096.

ATTENDANCE SLIP

DP ID No.:
LF No. / CL ID No.:

I/ we hereby record my/our presence at the 21ST ANNUAL GENERAL MEETING of the Company on **Wednesday, August 25, 2010** at **3.30 p.m.** at **Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari-Vikroli Link Road, Andheri (E), Mumbai – 400 093**

NAME & ADDRESS OF THE SHAREHOLDER(S):

SIGNATURE OF THE SHAREHOLDER(S) OR THE PROXY ATTENDING THE MEETING:

If Shareholder, please sign here	If Proxy, please sign here

Notes:

1. A shareholder/Proxy holder wishing to attend the meeting must bring the duly filled & signed Attendance Slip to the Meeting and hand over the same at entrance of the meeting hall.
2. A shareholder/proxy holder attending the meeting should bring his/her copy of Annual Report for reference at the Meeting.



Key Milestones

- 1995 • Acquires Mayur Gem and Jewellery Export Private Limited.
- 2000 • Purchases a 40,000 sq.ft. facility in SEEPZ, Andheri.
- 2001 • Receives the SEEPZ-SEZ Star 2000-2001 Award.
- 2002 • Commences business with Wal-Mart, USA.
- 2004 • Commences business with Zales Corporation, North America.
- 2005 • Sets up a 100% EOU having 64,000 sq.ft. facility at Bhavnagar, Gujarat.
 - Receives Wal-Mart's 'International Supplier of the Year' Award.
- 2006 • GJEPC Award for being the second largest exporter of studded precious metal Jewellery.
- 2007 • Sets up Renaissance Jewelry New York, Inc.
 - Recognition as Three Star Export House.
 - Completes IPO and shares Listed on BSE & NSE.
- 2008 • Top line crosses Rs. 597 crore.
 - GJEPC Award for being the largest exporter of studded precious metal Jewellery.
- 2009 • Sets up Verigold Jewellery (UK) Ltd.
 - Sets up Renaissance Adrienne LLC, USA.
 - Formation of Renaissance Foundation.
 - Top line crosses Rs. 750 crore.
 - Receives 'Emerging India Awards 2009'.



2009

2008

2006

2004

If undelivered, please return to:

REGISTRAR & TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.

C-13, PANNALAL SILK MILLS COMPOUND,
L.B.S. MARG, BHANDUP, MUMBAI - 400 078.

TEL.: 022-25946970 FAX: 022-25962691

EMAIL: rnt.helpdesk@linkintime.co.in WEBSITE: www.linkintime.co.in