

## FORM A

1	Name of the Company	Renaissance Jewellery Ltd.
2	Annual Financial Statements for the year ended	March 31, 2014
3	Type of Audit Observation	Un-qualified
4	Frequency of Observation	N A
5	<p>Signature :</p> <p><b>Mr. Sumit Shah</b> Managing Director</p> <p><b>Mr. Dilip Joshi</b> V.P. – Finance(CFO)</p> <p><b>M/s J.K. Shah &amp; CO.</b> Auditor of the Company</p> <p><b>Mr. V.C. Shah</b> Audit Committee Chairman</p>	<p>SS SMSGM</p> <p>DLJ</p> <p>VS VCS</p>



RENAISSANCE  
JEWELLERY LIMITED

ANNUAL REPORT 2013-2014



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## EXECUTIVE 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

MADHAVI S. PETHE

## COMPANY SECRETARY

G. M. WALAVALKAR

## SENIOR MANAGEMENT

A. K. SHARMA	(PRESIDENT- BRIDAL DIVISION)
AMIT SHAH	(V. P. – PROCUREMENT)
BHUPEN SHAH	(V. P. – PROCUREMENT)
DHIREN SHAH	(V. P. – OPERATIONS)
DILIP JOSHI	(V. P. – FINANCE)
NIKESH SHAH	(V. P. – PRODUCTION)
PARAG SHAH	(V. P. – OPERATIONS)
AMRISH SHAH	(G. M. – PRODUCTION)
G. M. WALAVALKAR	(G. M. – LEGAL & CS)
HARI METHA	(G. M. – PURCHASE & STORES)
P. K. SHARMA	(G. M. – QUALITY- BRIDAL DIVISION)
SUNIL PANSARE	(G. M. – PRODUCTION)
NAIMESH SHAH	(G. M. – CORPORATE STRATEGY)

## REGISTERED OFFICE

Plot No. 36A & 37, SEEPZ, MIDC Marol, Andheri (E), Mumbai – 400 096.  
Tel. : 022 – 4055 1200 Fax : 022 – 6693 8457, 2829 2146  
Email : [investors@renjewellery.com](mailto:investors@renjewellery.com) Web : [www.renjewellery.com](http://www.renjewellery.com)  
CIN : L36911MH1989PLC054498

## WORKS

- Plot No. – 36A & 37, SEEPZ, Andheri (E), Mumbai-400 096
- G - 42, G & J Complex – III, SEEPZ, Andheri (E), Mumbai – 400 096
- Unit No. – 156, SDF-V, SEEPZ, Andheri (E), Mumbai-400 096
- GJ -10, SDF-VII, SEEPZ, Andheri (E), Mumbai - 400096
- Unit No. 41 & 44, SDF-II, SEEPZ, Andheri (E), Mumbai-400 096
- G-5, G & J Complex – I, SEEPZ, Andheri (E), Mumbai – 400096
- Unit No. C-3, Plot No. 15, WICEL, MIDC, Andheri - E, Mumbai - 400 093
- 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 - 400078.  
Tel. : 022-2594 6970 Fax : 022-2596 2691  
Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) Web : [www.linkintime.co.in](http://www.linkintime.co.in)



Company Information

**RENAISSANCE  
JEWELLERY LIMITED**

## BANKERS

STATE BANK OF INDIA  
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





Recognition . . . .  
is the Greatest Motivation !!

2011-2012



2012-2013



2009-2010



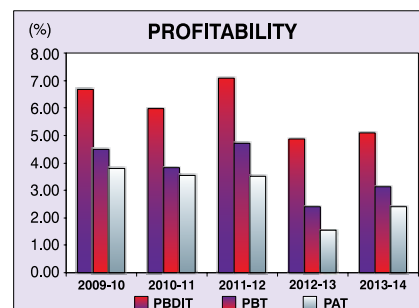
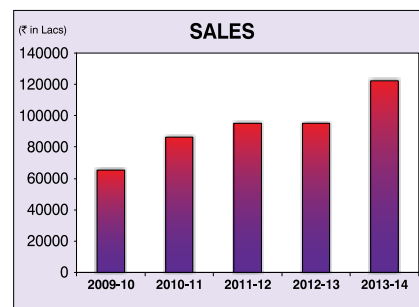
2008-2009



## Five Years at a Glance (CONSOLIDATED)

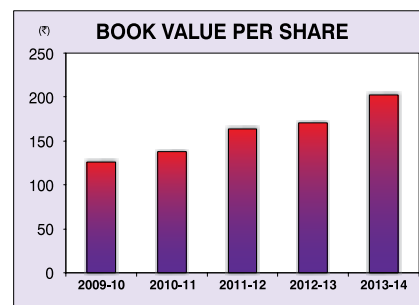
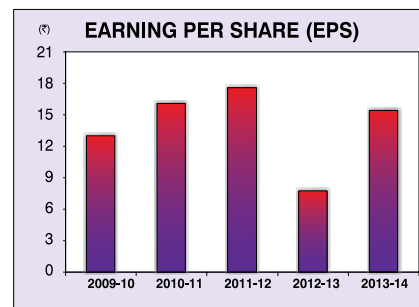
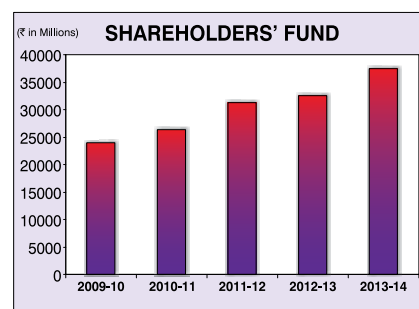
(₹ Lacs)

	2013-14	2012-13	2011-12	2010-11	2009-10
<b>PROFIT &amp; LOSS A/C</b>					
Revenues	122216	95193	95162	86218	65348
PBIDT	6209	4626	7088	5143	4358
PAT	2948	1477	3353	3062	2482
<b>SHAREHOLDERS' FUND</b>					
Equity Share Capital	1908	1908	1908	1908	1908
Reserves & Surplus	35481	30579	29006	24276	22136
Less : Misc. Expd.	0	0	0	0	0
<b>TOTAL</b>	<b>37389</b>	<b>32487</b>	<b>30914</b>	<b>26184</b>	<b>24044</b>
Loan Fund	34199	24194	27330	28279	13990
Debt-Equity Ratio	0.91:1	0.74:1	0.88:1	1.07:1	0.58:1
Return on Net Worth (%)	7.88	4.55	10.85	11.61	10.32
Earning per share (₹)	15.45	7.74	17.40	16.05	13.01
Dividend per share (₹)	1.00 (Proposed)	1.00	1.50	2.00	2.00



## Renaissance's Corporate Performance vs. the SENSEX Book Value per Share

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%	62.12	33.78%	17.89%
2008	15644	19.68%	104.58	68.35%	48.67%
2009	9709	-37.94%	110.44	5.60%	43.54%
2010	17528	80.53%	126.02	14.11%	-66.42%
2011	19445	10.94%	138.23	9.69%	-1.25%
2012	17404	-10.50%	164.00	18.64%	29.14%
2013	18836	8.23%	170.27	3.82%	-4.41%
2014	22386	18.85%	202.26	18.78%	-0.07%
	673.12%		2930.72%		
	CAGR 16%		CAGR 21%		



The above table evaluates our managerial performance versus 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 FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RENAISSANCE JEWELLERY LTD. WILL BE HELD ON FRIDAY, SEPTEMBER 12, 2014 AT 3:30 PM AT YUVRAJ HALL, SUPREMO ACTIVITY CENTRE, MATOSHREE ARTS & SPORTS TRUST, JOGESHWARI-VIKHROLI LINK ROAD, ANDHERI (E), MUMBAI-400 093 TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the financial year ended March 31, 2014.
3. To appoint a Director in place of Mr. Niranjana A. Shah (DIN: 00036439), who retires by rotation at this Annual General Meeting and being eligible has offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. J. K. Shah & Co., Chartered Accountants (Firm Registration No. 109606W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS

5. To appoint Mr. Veerkumar C. Shah as an Independent Director of the Company and to consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV

and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Veerkumar C. Shah (DIN: 00129379), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member intending to propose him as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 12, 2014 to hold the office up to conclusion of the Annual General Meeting for the Financial Year ended March 31, 2019.”

6. To appoint Mr. Vishwas V. Mehendale as an Independent Director of the Company and to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vishwas V. Mehendale (DIN: 00094468), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member intending to propose him as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 12, 2014 to hold the office up to conclusion of the Annual General Meeting for the Financial Year ended March 31, 2019.”





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7. To appoint Mr. Anil K. Chopra as an Independent Director of the Company and to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Anil K. Chopra (DIN: 01417814), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member intending to propose him as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 12, 2014 to hold the office up to conclusion of the Annual General Meeting for the Financial Year ended March 31, 2019.”

8. To appoint Mr. Arun P. Sathe as an Independent Director of the Company and to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Arun P. Sathe (DIN: 03092215), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member intending to propose him as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect

from September 12, 2014 to hold the office up to conclusion of the Annual General Meeting for the Financial Year ended March 31, 2019.”

9. To appoint Dr. Madhavi S. Pethe as an Independent Director of the Company and to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Madhavi S. Pethe (DIN: 05210916), who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member intending to propose her as a candidate for the office of Director, be and is hereby appointed as an Independent Woman Director of the Company with effect from September 12, 2014 to hold the office up to conclusion of the Annual General Meeting for the Financial Year ended March 31, 2019.”

10. To re-appoint Mr. Hitesh M. Shah as a Whole-time Director designated as Executive Director and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Hitesh M. Shah (DIN: 00036338) as a Whole-time Director, designated as Executive Director of the Company, liable to retire by rotation, for a period of 3 (Three) years with effect from January 1, 2014 up to December 31, 2016,

on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with the authority to the Board of Directors to grant increments and to alter and vary from time to time, terms and conditions of the said remuneration within the range stated therein and in such manner as may be agreed to between the Board of Directors and Mr. Hitesh M. Shah, provided however, the same shall not exceed the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** where in any financial year during the term of office of Mr. Hitesh M. Shah as Executive Director, the Company makes no profits or the profits made are inadequate, the Company may pay Mr. Hitesh M. Shah the remuneration by way of salary and perquisites as may be agreed to by the Board of Directors and Mr. Hitesh M. Shah, not exceeding the limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution.”

11. To re-appoint Mr. Neville R. Tata as a Whole-time Director designated as Executive Director and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Neville R. Tata (DIN: 00036648) as a Whole-time Director, designated as Executive Director of the Company, liable to retire by rotation, for a period of 3 (Three) years with effect from February 1, 2014 up to January 31, 2017, on the terms and conditions including remuneration as

set out in the Statement annexed to the Notice convening this Meeting, with the authority to the Board of Directors to grant increments and to alter and vary from time to time, terms and conditions of the said remuneration within the range stated therein and in such manner as may be agreed to between the Board of Directors and Mr. Neville R. Tata, provided however, the same shall not exceed the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** where in any financial year during the term of office of Mr. Neville R. Tata as Executive Director, the Company makes no profits or the profits made are inadequate, the Company may pay Mr. Neville R. Tata the remuneration by way of salary and perquisites as may be agreed to by the Board of Directors and Mr. Neville R. Tata, not exceeding the limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board

**Renaissance Jewellery Limited**

**G. M. Walavalkar**

**GM – Legal & Company Secretary**

Mumbai, August 7, 2014

## NOTES

- 1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a Member of the Company.**

Proxy Form, in order to be effective, must be received at the Company's Registered Office not less than FORTY-EIGHT HOURS before the commencement of the meeting.

As per Section 105 of Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

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A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

2. As required under Clause 49 of the Listing Agreement particulars of Directors seeking appointment/re-appointment are annexed with this notice.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed with this notice.
4. The Register of Members and the Share Transfer Books of the Company will be closed from Thursday, September 04, 2014, to Friday, September 12, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
5. 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 Wednesday, September 03, 2014. In respect of shares held in dematerialized 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 day Wednesday, September 03, 2014.
6. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd. to provide efficient and better services.

The Company or its Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd. cannot act on any request received directly from the members holding shares in dematerialized form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members. Members holding shares in physical form are requested to intimate such changes to M/s. Link Intime India Pvt. Ltd. at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai: 400 078.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/M/s. Link Intime India Pvt. Ltd.
8. 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.
9. Pursuant to Section 101 and Section 136 of the Companies Act, 2013, read with relevant rules made there under, companies can serve annual reports and other communications through electronic mode to those members who have registered their e-mail address with the Company or with the Depository.

In compliance with the said provisions of Companies Act, 2013 and to support the "GO GREEN" initiative of the Ministry of Corporate Affairs, Notice convening the Annual General Meeting, Financial Statements, Directors' Report, and Auditors' Report etc. for the year ended March 31, 2014, has been sent in electronic form to the email address provided by you and made available to us by the Depositories.

Physical copies of the Annual Report will be available at our registered office for inspection during office hour.

Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.



As a measure of economy & environment protection, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring the copy of Annual Report of the Company at the time of this meeting.

10. The Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.

#### 11. E-voting

**A.** In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement entered with Stock Exchanges, the Company is pleased to provide its members, the facility to exercise their right to vote at the 25<sup>th</sup> Annual General Meeting by electronic means.

For this purpose, the Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) for facilitating e-voting to enable the Members to cast their votes electronically.

The business of this Annual General Meeting may be transacted through e-voting as per details given below:

(a) Date and time of commencement of e-voting: **Saturday, September 06, 2014 at 9.30 a.m.**

(b) Date and time of end of e-voting beyond which voting will not be allowed: **Monday, September 08, 2014 at 5.30 p.m.**

**The e-voting module shall be disabled by CDSL for voting thereafter.**

(c) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Wednesday, September 03, 2014** may cast their vote electronically irrespective of mode of receipt of notice by the shareholder.

(d) Details of Website for e-voting: [www.evotingindia.com](http://www.evotingindia.com)

(e) Details of Scrutinizer: V. V. Chakradeo Practising Company Secretary. (COP No. 1705),

E-mail: [vvchakra@gmail.com](mailto:vvchakra@gmail.com)

(f) **Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/modify the vote subsequently.**

#### The instructions for Members for e-voting are as follows:

*(Applicable in all cases whether NOTICE is received by e-mail or in physical form)*

(i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period

(ii) Click on "Shareholders" tab.

(iii) Now Enter your User ID as under:

a. For CDSL: enter 16 digits beneficiary ID,

b. For NSDL: enter 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter their Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed on the screen and Click on Login.

(v) Now enter your password as under:

(a) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any other company, then your existing password is to be used.

(b) If you are a first time user, then follow the steps given below:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) – Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field – In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records, for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records, for the said demat account or folio.
#	Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the number of shares held by you as on the cut off date i.e. Wednesday, September 03, 2014 in the Dividend Bank details field.



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- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company(s) on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, these details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for **RENAISSANCE JEWELLERY LIMITED**, on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired.
- The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK”, if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

- (xv) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Note for Non-Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).**

**B.** In terms of Clause 35B of the Listing Agreement, to enable the members, who do not have access to e-voting facility, a Ballot Form is attached with this Annual Report.

Members desiring to exercise vote by the Ballot Form, are requested to carefully read the instructions printed in the Ballot Form and to complete the said Form with assent (for) or dissent (against) in respect of resolution listed in this Form and then send it to Mr. V. V. Chakradeo, Scrutinizer,

C/o Link Intime India Private Limited,  
Unit: Renaissance Jewellery Limited, C-13,  
Pannalal Silk Mills Compound, L.B.S.  
Marg, Bhandup (West), Mumbai-400 078,  
Tel.No: 022-25946970, Fax No: 022- 25962691,  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in), so  
as to reach him on or before **5.30 p.m. on  
Monday, September 08, 2014.**

Any Ballot Form received after the said  
date shall be treated as if the reply from the  
Members has not been received.

In light of the recent judgment of the  
Bombay High Court, until clarity is available,  
members who have not voted electronically  
or sent ballot form, will be permitted to  
deposit the filled in Ballot Forms, physically  
at the Annual General Meeting to enable  
them to exercise their vote.

- C.** Members can request for a Ballot Form  
at Link Intime India Private Limited, Unit:  
Renaissance Jewellery Limited, C-13,  
Pannalal Silk Mills Compound, L.B.S. Marg,  
Bhandup (West), Mumbai-400 078 or they  
may also address their request through  
e-mail to: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).  
Contact No.:022-25946970.

In case of voting by physical ballot, the  
institutional members (i. e. other than  
individuals, HUF, NRI, etc.) are required to  
send a copy of the relevant Board Resolution/  
Authority Letter etc. together with attested  
specimen signature of the duly authorized  
signatory(ies) who are authorized to vote,  
to the Scrutinizer along with the Ballot Form  
so as to reach the Scrutinizer on or before  
**5.30 p.m. on Monday, September 08, 2014.**

- D.** Members have option to vote either through  
e-voting or through physical Ballot Form.

Members can opt for only one mode of  
voting i.e. either by e-voting or through  
physical ballot. If Members opt for e-voting  
then he/she/it shall not vote by Physical  
Ballot or vice versa.

However, in case Members cast their vote  
both by e-voting and Physical Ballot, then  
voting done through e-voting shall prevail  
and voting done by Physical Ballot will be  
treated as invalid.

- E.** In terms of the provisions of Section 107  
of the Companies Act, 2013, since the  
resolutions as set out in this Notice are  
being conducted through e-voting or  
physical Ballot, the said resolutions will  
not be decided on a show of hands at  
the AGM.

The voting right of all shareholders shall  
be in proportion to their share in the paid  
up equity.

- 12.** The Scrutinizer will scrutinize the voting process  
(both e-voting and voting by physical ballot)  
in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding  
three (3) working days from the conclusion of the  
e-voting period unblock the votes in the  
presence of at least two (2) witnesses not in  
the employment of the Company and make a  
Scrutinizer's Report of the votes cast in favor  
or against, if any, forthwith to the Chairman of  
the Company.

The results shall be declared on or after the  
AGM of the Company. The results declared along  
with the Scrutinizer's Report shall be available on  
the Company's website [www.renjewellery.com](http://www.renjewellery.com)  
within two (2) days of passing of the resolution  
at the AGM of the Company and communicated  
to the stock exchange.

- 13.** The shareholders can also access the  
Annual Report 2013-14 of the Company circulated  
to the Members of the Company and other  
information about the Company on Company's  
website, i.e., [www.renjewellery.com](http://www.renjewellery.com) or on  
Stock Exchange websites, which are  
[www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

By order of the Board

**Renaissance Jewellery Limited**

**G. M. Walavalkar**

**GM – Legal & Company Secretary**

Mumbai, August 7, 2014



## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

### ITEM NOS. 5 TO 8

The Company, in pursuance of Clause 49 of the Listing Agreements entered with the Stock Exchanges, which requires at least 50% of the Board should comprise of Independent Directors, if the Chairman of the Board is an Executive Chairman, had appointed Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra and Mr. Arun P. Sathe, as Independent Directors at various times.

Now, Section 149 of the Companies Act, 2013, which came in to effect from April 1, 2014, requires every listed public Company to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation, hence the resolutions for appointment of Independent Directors.

It is proposed to appoint Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra and Mr. Arun P. Sathe as Independent Directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years with effect from September 12, 2014 up to conclusion of the Annual General Meeting for the Financial year ended March 31, 2019, who will not be liable to retire by rotation.

Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra and Mr. Arun P. Sathe are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors. The Company has received notices in writing from a member intending to propose them as candidates for the office of Director of the Company, along with the deposit of requisite amount under Section 160 of the Companies Act, 2013.

The Company has also received declarations from Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra and Mr. Arun P. Sathe that they meet with the criteria of independence as prescribed

both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra and Mr. Arun P. Sathe fulfill the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement.

Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra and Mr. Arun P. Sathe are independent of the management of the Company.

Brief resume of Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra and Mr. Arun P. Sathe, 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 Clause 49 of the Listing Agreement entered with the Stock Exchanges are provided as an annexure to this Notice of Annual General Meeting.

Copy of the draft letters for respective appointments of Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra and Mr. Arun P. Sathe as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra and Mr. Arun P. Sathe are interested in the resolutions set out respectively at Item Nos. 5 to 8 of the Notice with regard to their respective appointments.

The relatives of Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra and Mr. Arun P. Sathe may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 to 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 5 to 8 of the Notice for approval by the shareholders.

#### ITEM NO. 9

As per the requirement of second proviso to Section 149 (1) of Companies Act, 2013 (the Act) read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 and amended Clause 49 of the Listing Agreement, every listed public company should have at least one woman director on its Board of Directors.

Keeping in view the above legal requirements and pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors have, at its meeting held on August 7, 2014, on the recommendation made by the Remuneration and Nomination Committee at its meeting held on the same day, appointed Dr. Madhavi S. Pethe, as an additional director designated as an Independent Non-Executive Woman Director of the Company, who shall hold office up to the date of this annual general meeting.

It is proposed to appoint Dr. Madhavi S. Pethe, as an additional director designated as an Independent Non-Executive Woman Director of the Company under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years with effect from September 12, 2014 to hold the office up to conclusion of the Annual General Meeting for the Financial Year ended March 31, 2019, who will not be liable to retire by rotation.

Dr. Madhavi S. Pethe is not disqualified from being appointed as Director, in terms of Section 164 of the Companies Act, 2013 and have given her consent to act as Director of the Company. The Company has received notice in writing from a member intending to propose her as candidate for the office of Director of the Company, along with the deposit of requisite amount under Section 160 of the Companies Act, 2013.

The Company has also received declarations from Dr. Madhavi S. Pethe, that she meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. In the opinion of the Board, Dr. Madhavi S. Pethe fulfills the conditions for appointment as Independent

Non-Executive Woman Director as specified in the Companies Act, 2013 and the Listing Agreement.

Dr. Madhavi S. Pethe is independent of the management of the Company.

Brief resume of Dr. Madhavi S. Pethe, nature of her expertise in specific functional areas and names of companies in which she hold Directorships and Membership/Chairmanship of Board Committees, as stipulated under Clause 49 of the Listing Agreement entered with the Stock Exchanges are provided as an annexure to this Notice of AGM.

Copy of the draft letter for appointment of Dr. Madhavi S. Pethe as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Dr. Madhavi S. Pethe is interested in the resolution set out at Item No. 9 of the Notice with regard to her appointment.

The relatives of Dr. Madhavi S. Pethe may be deemed to be interested in the resolution set out at Item No. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item No. 9 of the Notice for approval by the shareholders.

#### ITEM NO. 10

Mr. Hitesh M. Shah was re-appointed as Executive Director of the Company for a period of five years from January 1, 2009 to December 31, 2013. The appointment of Mr. Hitesh M. Shah as Executive Director and also the remuneration payable to him was approved by the members at the Annual General Meeting held on August 28, 2009.

Since the term of Mr. Hitesh M. Shah was ended on December 31, 2013, the Board of Directors at its meeting held on January 31, 2014 had, subject to the approval of the members, re-appointed him as Director in whole time service to be designated as the Executive Director of the Company.





# Renaissance Jewellery Limited

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However, consequent to the enactment of the Companies Act, 2013 and the rules relating to the appointment and remuneration of directors, w.e.f. April 1, 2014, the Board at its meeting held on August 7, 2014 has modified the terms of re-appointment of Mr. Shah, to comply/align with the provisions of the Companies Act, 2013 and the rules thereof.

Considering his extensive knowledge, business skills, managerial experience and capabilities, the Board of Directors of the Company, in accordance with the provision of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, by passing a resolution at its meeting held on August 7, 2014, on the recommendation made by the Remuneration and Nomination Committee at its meeting held on the same day, re-appointed him as the Executive Director in the whole time employment of the Company for a further period of 3 years effective January 01, 2014 up to December 31, 2016, subject to your approval, on the terms and conditions, including minimum remuneration, as detailed hereinafter:

The range of remuneration ₹ 1,25,000/- to ₹ 10,00,000/- per month.

The aforesaid remuneration is to be bifurcated by way of salary, allowances, performance pay and the following perquisites, as per the rules and regulations of the Company for the time being in force and as determined by the Board:

1. Company car with Driver at the entire cost of the Company for use on Company's business. Use of the car for personal use shall be billed by the Company.
2. Any one Club life membership fee on Company's account.
3. All expenses for use of mobile phone at the cost of the Company.
4. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.
5. Gratuity Payable at a rate not exceeding half a month's salary for each completed year of service.
6. The Executive Director to devote his full time and attention to the business of the Company.

7. The Agreement may be terminated by the Company or the Executive Director by three months prior notice in writing to the other.

However, Mr. Hitesh M. Shah shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee of Board of Directors. So long as Mr. Hitesh M. Shah continues to act as Director in the Whole-time employment of the Company, his office shall be liable to determination by retirement of Directors by rotation.

Authority is also being sought to be conferred on the Board to make such alterations or variations in the perquisites of Mr. Hitesh M. Shah during his tenure as Executive Director, as it deemed fit and as acceptable to him but within the limits specified in Schedule V to the Companies Act, 2013. Authority is also being sought to the payment of remuneration by the Company to Mr. Shah, by way of salary and perquisites not exceeding the limits stated in Section II of Part II of Schedule V to the Companies Act, 2013, if, in any financial year during his term of office as Executive Director, the Company makes no profits or the profits made are inadequate.

The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of Directors.

The Whole-time Director shall adhere to the RJJ Code of Conduct and Ethical Policies for Directors and Management Personnel.

Mr. Hitesh M. Shah satisfy all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for his re-appointment.

Mr. Shah is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Hitesh M. Shah under Section 190 of the Companies Act, 2013.

Brief resume of Mr. Shah, nature of his expertise in specific functional areas and names of companies in which he hold Directorships and Membership/ Chairmanship of Board Committees, as stipulated

under Clause 49 of the Listing Agreement entered with the Stock Exchanges, are provided as an annexure to this Notice of Annual General Meeting.

Board considers that the re-appointment of Mr. Hitesh M. Shah will be in the best interests of the Company and therefore, recommends passing of the aforesaid Ordinary Resolution at Item No. 10 of this Notice. The approval of the members is necessary in view of the provisions of Part II of Schedule V to the Companies Act, 2013.

Mr. Hitesh M. Shah is interested in the resolution set out at Item No. 9 of the notice with regard to his re-appointment.

The relatives of Mr. Shah may be deemed to be interested in the resolution set out at Item Nos. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives, are, in any way, concerned or interested, financially or otherwise, in this resolution.

#### ITEM NO. 11

Mr. Neville R. Tata was re-appointed as Executive Director of the Company for a period of five years from February 1, 2009 to January 31, 2014. The appointment of Mr. Neville R. Tata as Executive Director and also the remuneration payable to him was approved by the members at the Annual General Meeting held on August 28, 2009.

Since the term of Mr. Neville R. Tata was ended on January 31, 2014, the Board of Directors at its meeting held on January 31, 2014 had, subject to the approval of the members; re-appointed him as Director in whole time service to be designated as the Executive Director of the Company.

However, consequent to the enactment of the Companies Act, 2013 and the rules relating to the appointment and remuneration of directors, w.e.f. April 1, 2014, the Board at its meeting held on August 7, 2014 has modified the terms of re-appointment of Mr. Tata, to comply/align with the provisions of the Companies Act, 2013 and the rules thereof.

Considering his extensive knowledge, business skills, managerial experience and capabilities, the Board of Directors of the Company, in accordance with the provision of Sections 196 and 197 read

with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, by passing a resolution at its meeting held on August 7, 2014, on the recommendation made by the Remuneration and Nomination Committee at its meeting held on the same day, has re-appointed Mr. Tata as the Executive Director in the whole time employment of the Company for a further period of 3 years effective February 1, 2014 up to January 31, 2017, subject to your approval, on the terms and conditions, including minimum remuneration, as detailed hereinafter:

The range of remuneration ₹ 2,50,000/- to ₹ 10,00,000/- per month.

The aforesaid remuneration is to be bifurcated by way of salary, allowances, performance pay and the following perquisites, as per the rules and regulations of the Company for the time being in force and as determined by the Board:

1. Company car with Driver at the entire cost of the Company for use on Company's business. Use of the car for personal use shall be billed by the Company.
2. Any one Club life membership fee on Company's account.
3. All expenses for use of mobile phone at the cost of the Company.
4. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.
5. Gratuity Payable at a rate not exceeding half a month's salary for each completed year of service.
6. The Executive Director to devote his full time and attention to the business of the Company.
7. The Agreement may be terminated by the Company or the Executive Director by three months prior notice in writing to the other.

However, Mr. Neville R. Tata shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee of Board of Directors. So long as Mr. Neville R. Tata continues to act as Director in the Whole-time employment of the Company, his office shall be liable to determination by retirement of Directors by rotation.



# Renaissance Jewellery Limited

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Authority is also being sought to be conferred on the Board to make such alterations or variations in the perquisites of Mr. Neville R. Tata during his tenure as Executive Director, as it deemed fit and as acceptable to him but within the limits specified in Schedule V to the Companies Act, 2013. Authority is also being sought to the payment of remuneration by the Company to Mr. Tata, by way of salary and perquisites not exceeding the limits stated in Section II of Part II of Schedule V to the Companies Act, 2013, if, in any financial year during his term of office as Executive Director, the Company makes no profits or the profits made are inadequate.

The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of Directors.

The Whole-time Director shall adhere to the RJL Code of Conduct and Ethical Policies for Directors and Management Personnel.

Mr. Neville R. Tata satisfy all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for his re-appointment.

Mr. Tata is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Neville R. Tata under Section 190 of the Companies Act, 2013.

Brief resume of Mr. Tata, nature of his expertise in specific functional areas and names of companies in which he hold Directorships and Membership/ Chairmanship of Board Committees, as stipulated under Clause 49 of the Listing Agreement entered with the Stock Exchanges are provided as an annexure to this Notice of Annual General Meeting.

Board considers that the re-appointment of Mr. Neville R. Tata will be in the best interests of the Company and therefore, recommends passing of the aforesaid Ordinary Resolution at Item No. 11 of this Notice. The approval of the members is necessary in view of the provisions of Part II of Schedule V to the Companies Act, 2013.

Mr. Neville R. Tata is interested in the resolution set out at Item No. 11 of the notice with regard to his appointment.

The relatives of Mr. Tata may be deemed to be interested in the resolution set out at Item No. 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above none of the other Directors/Key Managerial Personnel of the Company/ their relatives, are, in any way, concerned or interested, financially or otherwise, in this resolution.

By order of the Board

**Renaissance Jewellery Limited**

**G. M. Walavalkar**

**GM – Legal & Company Secretary**

Mumbai, August 7, 2014

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT ENTERED WITH STOCK EXCHANGES:**

Particulars	Mr. Niranjan A. Shah	Mr. Hitesh M. Shah	Mr. Neville R. Tata	Mr. Veerkumar C. Shah	Mr. Vishwas V. Mehendale	Mr. Arun Sathie	Mr. Anil K. Chopra	Dr. Madhuri S. Pethe	
<b>Date of Birth</b>	18/01/1947	15/09/1971	05/09/1973	01/05/1945	17/09/1957	14/10/1939	07/12/1943	15/12/1963	
<b>Date of Appointment</b>	01/01/2003	01/01/2006	01/02/2006	01/02/2006	03/04/2007	27/05/2010	03/04/2007	07/08/2014	
<b>Qualifications</b>	SSC	B.Com.	H.S.C.	B.Com. & CA	B.Com., LL.B. & CA	M.Com., LL.B.	B.Sc. (Hon.) – Chemistry & PG Dip. in Management	B.Com., M.Com., Ph.D.	
<b>Expertise in specific functional area</b>	He has over 40 years of experience in the Gems and Jewellery industry having an exposure to the entire range of activities.	Hitesh Shah has over 20 years of experience in gems and Jewellery business. He has earlier worked with Sudham B. V. BA, Japan as president and was responsible for its operational activities. He oversees the finance and accounting functions and merchandising.	Neville Tata has a total work experience of 18 years. Prior to joining us, Mr. Tata has worked with Inter Gold Private Limited as a Production Manager. He oversees the entire operations with relation to production activities.	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.	He is one of the leading practicing Lawyers in Tax Tribunal, in the High Court, Supreme Court, mainly in Income Tax, Election Law and Constitutional Matters. He is a member of the Governing Council of Maharashtra Chamber of Commerce, Member of Finance & Taxation Committee of the Chamber and EX member of Finance and Taxation Committee of FICCI and on their expert panel for Tax Laws. He is the President of ITAI Bar Association. He is also connected with various other social and political organizations.	He has 44 years experience in marketing of durables & non-durables, commercial operations & management of business ethics	He has 44 years experience in marketing of durables & non-durables, commercial operations & management of business ethics	Educationist and currently the Principal of M.L. Dahanukar College of Commerce, she has also done her Ph.D. in Human Resource Development
<b>Directorships held in other Public companies (excluding Section 25 companies)</b>	<ul style="list-style-type: none"> <li>– N. Kumar Diamond Exports Ltd.</li> <li>– House Full International Ltd.</li> <li>– House Full Supply Chain Management Ltd.</li> <li>– Renaissance Jewellery New York Inc., USA</li> <li>– Verigold Jewellery (UK) Ltd., London</li> </ul>	<ul style="list-style-type: none"> <li>– N. Kumar Diamond Exports Ltd.</li> <li>– House Full International Ltd.</li> <li>– House Full Supply Chain Management Ltd.</li> <li>– Renaissance Jewellery New York Inc., USA</li> <li>– Vergold Jewellery (UK) Ltd., London</li> <li>– Renaissance Jewellery Bangladesh Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>– House Full International Ltd.</li> </ul>	Kotak Chemicals Limited	Indo Amines Limited	NIL	NIL	NIL	
<b>Memberships/ Chairmanships of committees of other Public Limited companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)</b>	NIL	NIL	NIL	NIL	<b>Indo Amines Limited:</b> Member – Audit Committee	NIL	NIL	NIL	
<b>Number of Equity shares held in the Company</b>	2607040	1303520	NIL	64	NIL	NIL	NIL	NIL	



## Directors' Report

Dear Members,

The Directors take great pleasure in presenting the 25<sup>th</sup> report on the business and operations of your Company along with the Annual Report and Audited Financial Statements for the Financial Year 2013-14.

### Financial Highlights

Your Company earned a Profit Before Tax (PBT) of ₹ 328 million, as compared to PBT of ₹ 196 million in the previous year.

Highlights of the financial performance (Standalone) are as follows:

(₹ in million)

	F.Y. 2013-14	F.Y. 2012-13
Sales	9823	7190
Gross Profit	693	545
<b>PBID</b>	478	361
Less : Interest	81	96
Less : Depreciation	69	68
<b>PBT</b>	328	196
Provision for Tax	57	62
<b>PAT</b>	271	134
Add : Balance brought forward from P.Y.	2048	1941
Profit available for appropriation	2319	2073
<b>Appropriations:</b>		
Transfer to Reserve Fund General Reserve	7	3
Dividend on Equity Shares	19	19
Corporate Dividend Tax	3	3
<b>Balance carried forward</b>	2290	2048

The consolidated revenue from operations of the Company for the year ended March 31, 2014 was ₹ 12221.60 million (P.Y. ₹ 9519.27 million), an increase of 28.38% on a year-on-year basis.

An earnings before interest, tax, depreciation and amortization (EBITDA) was ₹ 620.93 million (P.Y. ₹ 462.61 million) an increase of 34.22% on a year-on-year basis. Profit after tax (PAT) was ₹ 294.83 million (P.Y. ₹ 147.70 million) an increase of 99.61% on a year-on-year basis.

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 10% i.e. ₹ 1/- per share (last year ₹ 1/- per equity share), subject to approval of the shareholders at the ensuing 25<sup>th</sup> Annual General Meeting. The total outgo on account of dividend amounts to ₹ 19.08 million.

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 September 12, 2014. 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 September 3, 2014.

### Subsidiaries

As on signing date of this report your Company had following direct and indirect subsidiary companies/LLP:

#### Direct Subsidiary Companies:

1. Renaissance Jewelry New York Inc., USA
2. Verigold Jewellery (UK) Ltd., London
3. N. Kumar Diamond Exports Limited, India
4. Renaissance Jewellery Bangladesh Pvt. Ltd., Bangladesh

#### Indirect (Step-down) Subsidiary Companies:

1. House Full International Ltd., India (Subsidiary of N. Kumar Diamond Exports Limited)
2. House Full Supply Chain Management Ltd., India (Subsidiary of House Full International Ltd.)

**Limited Liability Partnership:**

1. Aurelle Jewellery LLP, India

**Financial statements/reports of the subsidiaries:**

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the said circulars. The Company has complied with the conditions stipulated in these circulars and hence is entitled to the exemption from attaching the Directors' Report, Balance Sheet and Profit and Loss Account of its subsidiaries to the Annual Report 2013-14 of the Company.

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, 2014 will be made available to the members on request at the Registered Office of the Company and the same will be kept open for inspection by any member during the office hours of the Company.

Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements attached with the Annual Report 2013-14 of the Company.

**The Employee Stock Purchase Scheme**

Your Company, through RJL Employee Welfare Trust (ESPS Trust), has offered the ESPS shares to the recommended employees under the Tranch – I and Tranch – II of RJL Employees' Stock Purchase Scheme – 2008 (RJL ESPS - 2008).

Following is the status of the RJL ESPS – 2008 as on August 07, 2014:

Particulars	Number of Shares		
	Tranch – I	Tranch - II	
<b>Shares allotted to ESPS Trust</b>			<b>7,20,000</b>
Shares offered to recommended employees by ESPS Trust	6,17,500	2,57,490	
Shares transferred back to ESPS Trust due to non-acceptance/disqualification	1,55,000	3,000	
	<b>4,62,500</b>	<b>2,54,490</b>	<b>7,16,990</b>
Shares acquired by employees:	58,334	9,220	
Shares transferred back to ESPS Trust due to Surrender/lapse	4,04,166	2,03,260	6,07,426
Balance shares to be acquired by the employees	0	42,010	
<b>Balance shares with ESPS Trust to offer</b>			<b>6,10,436</b>

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.

The Company had opted for trust route for offering ESPS and 720000 shares were issued to the Trust in F.Y. 2008-09 for onward offering to the recommended employees. Hence, basic and Diluted Earning Per Share (EPS) is ₹ 14.21.

**Awards/Recognition**

Your Company has always strived for the best quality and designs and has been consistently receiving recognition by various Trade Organizations and Councils, for its' performance and achievements.

Following are some of the awards/recognition received by the Company in the past:

- SEEPZ-SEZ Star 2000-2001 Award
- Wal-Mart's 'International Supplier of the Year' Award
- GJEPC Award for being the largest exporter of studded precious metal Jewellery in 2008
- Emerging India Awards 2009
- GJEPC Award for topping the export performance under the category "Studded Precious Metal Jewellery Exports from EPZ/EOU Complexes" in 2011
- GJEPC Award for outstanding Export Performance under the category "Studded Precious Metal Jewellery Exports", in 2012

**Corporate Governance**

The Company has taken appropriate steps and measures to comply with all the applicable provisions of Clause 49 and Section 177 of the Companies Act, 2013. A separate report on Corporate Governance, along with a certificate of Practicing Company Secretary 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, 2014 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, 2014 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 2014-15. 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. & National Securities Depository Ltd. 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.

Your Company has fully complied with the SEBI Circular – Cir/ISD/3/2011, dated June 17, 2011 by achieving 100% of promoter's and promoter group's shareholding in dematerialized form. Therefore, the securities of companies are traded in the normal segment of the Exchanges.

## 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

As per the requirement of second proviso to Section 149 (1) of Companies Act, 2013 (the Act) read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 and amended

Clause 49 of the Listing Agreement and pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors at their meeting held on August 7, 2014, on the recommendation made by the Remuneration and Nomination Committee at its meeting held on the same day, has appointed Dr. Madhavi S. Pethe, as an Additional Director designated as an Independent non-executive Woman Director of the Company, who shall hold office up to the date of this Annual General Meeting.

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra and Mr. Arun P. Sathe, as Independent Directors of the Company.

As per Section 149 of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of Directors as Independent Directors.

In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

Mr. Niranjana A. Shah, Executive Chairman, retires by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.

The Board recommends appointment(s)/re-appointment of these Director(s).

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.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

### Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors at their meeting held on May 23, 2014 has appointed following whole-time Key Managerial Personnel:

1. Mr. Sumit Shah – Managing Director
2. Mr. Ghanshyam Walavalkar – Company Secretary
3. Mr. Dilip Joshi – Chief Financial Officer

### Auditors

M/s J. K. Shah & Co., Chartered Accountants, 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, at its meeting held on August 7, 2014, on recommendation of audit committee, decided to recommend their re-appointment at the Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

The Company has received a letter from M/s. J. K. Shah & Co., Chartered Accountants expressing their willingness for appointment as Statutory Auditors and to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

### Fixed Deposits

During the financial year 2013-14, 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:

- a. Enhanced productivity and reduction in production lead time
- b. Total traceability of each piece during entire manufacturing process through customized software
- c. Reduction in re-work and rejection in the manufacturing process.
- d. Enhancement of product spectrum
- e. 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.



# Renaissance Jewellery Limited

## Technology Absorption, Adaptation & 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:

(₹ million)

	F.Y. 2013-14	F.Y. 2012-13
Foreign Exchange Earnings	9,648.39	6,885.24
Foreign Exchange Outgo	4,273.84	2,439.64

### Directors' Responsibility Statement

As required under Section 217 of the Companies Act, 1956 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;
- 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;
- 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) Amendment Rules, 2011, 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, August 07, 2014

# Management's Discussion and Analysis

## ABOUT THE COMPANY

Renaissance Jewellery Limited (RJL) has gained a respectable name in the business of design, manufacture and sale of studded gold, platinum and silver jewellery especially in the USA, which has always been a focal point, being the largest end market. We operate through 8 manufacturing units of which 6 units are located at SEEPZ-SEZ at Mumbai, 1 unit is located out of SEZ at Mumbai and one 100% EOU unit at Bhavnagar in Gujarat.

The Company has a Subsidiary in USA to cater effectively to customers in this market. In order to expand the market and to mitigate the geographical risk, your Company has a wholly owned Subsidiary in UK with a view to develop alternative markets. The Company has also set up a manufacturing facility in Bangladesh in order to manufacture cost effective quality products. The Company has been successful in receiving gradual but steady results through these strategic steps and the management is confident of achieving the desired objectives.

Our portfolio includes rings, earrings, pendants, bracelets, bangles, etc. studded with polished diamonds and other precious stones. Along with US and European markets, we are currently exploring the domestic market opportunity. In its endeavor to excel, the company explores opportunities and embarks on new initiatives through newer market segments and niche product categories on an ongoing basis. Apart from our core jewellery business, we have our own Home Retail Brand, 'House Full' with 31 Stores across India.

### General Economic and Industry trend:

Over the past few years, the Indian economy has witnessed sluggish growth with relative moderation in all three sectors: agriculture, industry and services. The economy is in need of a fillip to pull itself out of this slump and be redirected to a path of continued and sustained growth.

The Indian economy experienced a second successive year of weak performance with the GDP growing at 4.7% in 2013-14 compared with 4.5% in 2012-13.

A strong and stable government at center and it's first budget that signifies the path as well as long term vision of things to come, has instilled hope.

The gems and jewellery sector has been playing a very important role in the Indian economy and contributes about 6-7% to the country's gross domestic product (GDP), apart from large scale employment generations and foreign exchange earnings (FEE). In FY 2013-14, the Indian gems and jewellery sector contributed US\$ 34,746.90 million to India's FEE with a decline of 11 per cent as compared to the last year figures.

The export of gold jewellery and gold medallions together for the period April 2013-14 stood at \$11045.92 million which shows a drop of 39.50 per cent. This was mainly due to the non-availability of the gold limiting the extent of trade for many of the Indian players.

The silver jewellery exports had a significant increase by 58.57 per cent with figures of \$1460 million.

A FICCI-Technopak report predicts that gems and jewellery exports will touch US\$ 58 billion by 2015. The report also estimates that the domestic market for gems and jewellery will reach US\$ 35-40 billion by 2015.

The domestic gems and jewellery industry had a market size of ₹ 251,000 crore (US\$ 41.61 billion) in 2013, with potential to touch ₹ 500,000-530,000 crore (US\$ 82.94-87.93 billion) by 2018, according to a joint report by FICCI – AT Kearney titled 'All that glitters is Gold: India Jewellery Review 2013'.

Key exporting destinations for gems and jewellery in FY 2013-14 were UAE – 35 per cent of exports valued at US\$ 12,195.34 million; Hong Kong – 28 per cent of exports valued at US\$ 9,790.45 million; and the US – 14 per cent of exports valued at US\$ 4,948.92 million.

The country's success in the gems and jewellery global market can be attributed to the following factors – highly skilled, low-cost labour; excellence in jeweler manufacturing and diamond polishing; and technologically advanced factories.

# Renaissance Jewellery Limited

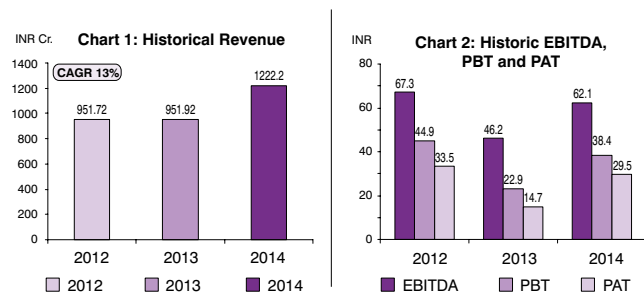
The country is slowly starting to move towards branded jewellery and consumers are progressively accommodating modern retail formats. While this could impact traditional players, it also gives them the opportunity to upgrade to keep pace with evolving market trends. It is expected that traditional and modern players will co-exist in future.

In March, the RBI had allowed more banks, to import gold under the 80:20 scheme, a move seen as a precursor to easing restrictions on inward shipments of the metal.

## COMPANY PERFORMANCE

### Consolidated Financial Performance

Consolidated Revenue for FY '14 was INR 1222.2 Cr. The company EBITDA was 5.08% at INR 62.10 Cr. the PBT was INR 38.4 Cr in FY '14, while the PAT was INR 29.5 Cr. in FY '14.



## JEWELLERY SEGMENT

### Company Manufacturing Performance

We exported a total of 25.98 Lac Pcs in FY '14, 15.26% higher than the previous year. and, our average realization per unit has increased from USD 52 in FY '13 to USD 58.86 in FY '14, an increase by 13.19%.

**Table 1: Manufacturing Data – Standalone**

	Total Units Exported	Average Realization per unit (USD)	Sales (USD)
FY 2014	25.98 Lacs	59	152.9 Mn
FY 2013	22.54 Lacs	52	117.0 Mn
FY 2012	15.9 Lacs	84	133.6 Mn

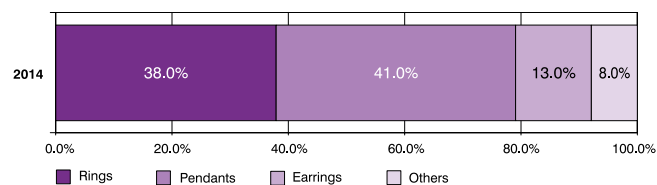
Our Gold : Silver Jewellery mix for FY '14 was 30:70 as compared to 32:68 in FY '13 in terms of Value. In terms of Volume; the Mix of FY '14 was 12:88 as compared to 13:87 in FY '13. The average realization per unit for Gold was USD 146 in FY '14 while that for Silver Jewellery was USD 47.

**Table 2: Raw Material-wise break-up – Standalone (FY 2014)**

	Total Units Exported	Average Realization per unit (USD)	Total Value (USD)
Gold	313546	146	45.80 Mn
Silver	2284541	47	107.10 Mn

Category mix: The Major Contributors in the categories have been the rings and pendants which have contributed to 80% of the total Standalone Sales for the Company.

**Chart 3: Category-wise Revenue break up – Standalone (FY 2014)**



## Challenges

- The rising prices of precious metals and stones, is matter of concern and continues to be a challenge for the entire industry.
- The Economic Slowdown in the US and European markets could have an impact to the buying pattern of our customers since our major market is the US.
- Volatile USD – INR exchange rate is a concern in recent times.

## Outlook

- We have started exports of high end Bridal Jewellery to our customers in the US and will look to grow this category in the years to come through our current customers as well as through new markets.
- We also look to expand our presence in the Domestic Jewellery industry through our jewellery brand, "AURELLE". Given the demographics, we believe India will be one of the fastest growing markets in the world.

## HOME RETAIL SEGMENT

### HouseFull International Ltd.

Our Home retail segment operates under the brand "HOUSEFULL" and caters to all customer segments, bringing appealing designs, lasting quality, and 'value for money' tag along, at their doorstep. In FY '14 the company has added 5 new Stores and currently has 31 Stores (126,364 sq. ft.) across India. Our presence currently is in the regions of Mumbai, Pune, Nasik, Ahmedabad, Surat, Baroda, Bangalore, Hyderabad and Chennai. We also plan on exploring opportunities in other Regions in the years to come.

As far as the brand's product basket goes, we offer a range of stylish furniture range essential in the making of a complete home. Ranging from sofa sets, dining tables, bedroom set, wardrobes to furniture accessories like shoe cabinets, book cases, bean bags etc; making it a one-stop-shop for all furniture needs. Equipped with an in-house RESEARCH AND DEVELOPMENT team for engineering the furniture, our products are designed keeping in mind Indian tastes and preferences, are high on utility, and yet look stylish in a unique way.

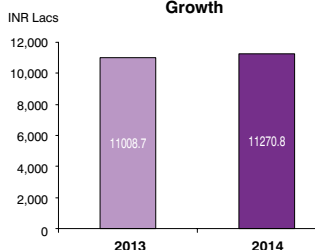
### Store Presence (June '14)

Mumbai	Gujarat	Rest of Maharashtra	Bangalore	Hyderabad	Chennai
• Dahisar	• Ahmedabad	• Aundh, Pune	• Banergatta	• Dilsukhnagar	• Arkot Road
• Vashi	• Baroda	• Kharadi, Pune	• Banshankari	• Karkhana	• ECR Road
• Kurla	• Rajkot	• PCMC, Pune	• HRBR	• Kukatpally	
• Worli	• Surat	• Sinhadgad, Pune	• Marathali	• Toli Chowki	
• Andheri		• Nashik	• Rajaji Nagar		
• Vasai					
• Thane					
• Kalyan					

## COMPANY PERFORMANCE

The company's revenue from operations for the Home Retail business for FY '14 was up 2.38% to INR 112.70 Cr. from INR 110.09 Cr. in FY '13. This was on account of same store Growth in FY '14 at the store count of 27 Stores. The Company was cash positive on the operating level and had EBITDA margins of 5.27% at INR 5.94 Cr.

Chart 4: Home Retail Revenue Growth



### Home Retail Performance Snapshot FY'13

Revenue from Operations	INR 112.71 Cr
EBITDA	INR 5.94 Cr
Store Count (Mar'14)	27 Stores
Sales/Sq. Ft. (annualized)	INR 6,420



# Renaissance Jewellery Limited

## Challenges

- Unorganized sector is a major contributor in the industry and remains to be a stiff competition and a major challenge is to compete with the price points of these unorganized players.
- Cost of rentals and Staff in the metros, continue to post a challenge, resulting in lowering our margins.
- Exchange Rate fluctuations in another challenge in recent times for the home retail division as well.

## Outlook

Consistent growth in the Indian economy and rising standards of living are key factors driving demand in the India furniture industry. Changing consumer demographics and increased propensity to spend on lifestyle products by young Indian consumers have a positive impact on the furniture sector and are expected to drive demand for furniture in the future.

We expect to consistently ramp up the store count of "HOUSE FULL" with a 30% increase planned in FY '15. Our 5 year goal is to have greater than 100 stores across the country.



## 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 entered into 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, 2014 are 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 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. In so far as compliance of Clause 49 of the Listing Agreement entered into 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 Board) comprises a combination of Executive and Non-Executive Directors. The Board is headed by an Executive Chairman. The composition of Board is in line with requirement of Clause 49 of the Listing agreement, which says at least half of the Board should comprise of Independent Directors, where the Chairman of the Board is an Executive Chairman. 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, 2014

Name of the Director	Business Relationship	Executive/Non-Executive/Independent
Niranjan A. Shah	Executive Chairman	Promoter, Executive
Sumit N. Shah	Managing Director	Promoter, Executive
Hitesh M. Shah	Executive Director	Promoter, Executive
Neville R. Tata	Executive Director	Executive
Veerakumar C. Shah	Director	Independent, Non-Executive
Vishwas V. Mehendale	Director	Independent, Non-Executive
Anil K. Chopra	Director	Independent, Non-Executive
Arun P. Sathe	Director	Independent, Non-Executive
<b>Composition of the Board</b>	<b>Independent 50%</b>	<b>Non-Executive 50%</b>

Mr. Niranjan A. Shah, Executive Chairman retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

The Board at its meeting held on August 7, 2014 has appointed Dr. Madhavi S. Pethe, as an additional director designated as an Independent Non-Executive Woman Director of the Company,

# Renaissance Jewellery Limited

who shall hold office up to the date of the this Annual General Meeting. Her appointment is being confirmed in the forthcoming Annual General Meeting (AGM).

Mr. Veerkumar C. Shah, Mr. Vishwas V. Mehendale, Mr. Anil K. Chopra and Mr. Arun P. Sathe, who had been appointed as Independent Directors of the Company, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges, are now being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company, pursuant to provisions of Section 149 of the Companies Act, 2013.

The information prescribed under the Listing Agreement on Directors seeking appointment and re-appointment is provided in the Notice forming part of this Annual Report.

## 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 September 5, 2011, the Board of Directors has revised the sitting fees payable to a Director at ₹ 15,000/- for attending each Board Meeting and ₹ 7,500/- for attending each Committee Meeting.

## Details of Remuneration Paid to Directors during the F.Y. ended March 31, 2014

(₹ In Lac)

Name of Directors	Category	Sitting Fees	Salary	PF & Superannuation Fund	Total
Niranjan A. Shah	Executive Chairman	—	18.00	0.09	18.09
Sumit N. Shah	Managing Director	—	12.00	0.09	12.09
Hitesh M. Shah	Executive Director	—	15.00	0.09	15.09
Neville R. Tata	Executive Director	—	32.00	0.09	32.09
Veerkumar C. Shah	Independent Director	1.35	—	—	1.35
Vishwas V. Mehendale	Independent Director	1.12	—	—	1.12
Anil K. Chopra	Independent Director	1.12	—	—	1.12
Arun P. Sathe	Independent Director	1.12	—	—	1.12

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, no Equity Shares have been offered to any of the Directors, under the Employee Stock Purchase Scheme, approved by the members at the 19<sup>th</sup> Annual General Meeting.

## Details of Equity Shares held by the Directors as on March 31, 2014

Name of the Directors	No. of Equity Shares held	% Holding
Niranjan A. Shah	2607040*	13.6641*
Sumit N. Shah	4171120	21.8619
Hitesh M. Shah	1303520	6.8321
Neville R. Tata	0	0
Veerkumar C. Shah	64	0.0003
Vishwas V. Mehendale	0	0
Anil K. Chopra	0	0
Arun P. Sathe	0	0

\* Mr. Niranjan Shah has transferred 2607040 equity shares to the family trust viz. "Niranjan Family Private Trust", pursuant to a private family arrangement, after seeking an exemption from making an Open Offer as per Regulation 3(2), read along with Regulation 3(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

## Meetings and Attendance

During the F. Y. 2013-14 five Board Meetings were held as follows, at the registered office of the Company, and the gap between any two Board Meetings did not exceed four months.

Sr. No.	Date	Board Strength	No. of Directors Present
1	27/05/2013	8	7
2	30/07/2013	8	8
3	28/08/2013	8	8
4	12/11/2013	8	6
5	31/01/2014	8	8

### Attendance of Directors at the Board meetings and at the Twenty Fourth Annual General Meeting

Name of the Directors	No. of Board Meetings attended	Attendance at last AGM
Niranjan A. Shah	5	Yes
Sumit N. Shah	3	Yes
Hitesh M. Shah	5	Yes
Neville R. Tata	5	Yes
Veer Kumar C. Shah	5	Yes
Vishwas V. Mehendale	5	Yes
Anil K. Chopra	5	Yes
Arun P. Sathe	4	Yes

### Directorships/Committee Memberships of Directors in other companies as on March 31, 2014

Name of the Directors	No. of Directorships in other companies	No. of Committee Memberships in other companies	
		Chairman	Member
Niranjan A. Shah	3	Nil	Nil
Sumit N. Shah	2	Nil	Nil
Hitesh M. Shah	3	Nil	Nil
Neville R. Tata	1	Nil	Nil
Veer Kumar C. Shah	1	Nil	Nil
Vishwas V. Mehendale	1	1	1
Anil K. Chopra	0	Nil	Nil
Arun P. Sathe	0	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.

Necessary disclosures regarding Directorships and the committee positions in other public companies as on March 31, 2014 has been received from all Directors and the Disclosure regarding independency, in terms of Section 149(6) of Companies Act, 2013, has been received from all Independent Directors.

### 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

The Company has adopted a Code of Conduct for its Directors and the Senior Management personnel, as approved by the Board of Directors. This Code of Conduct is available at Company website [www.renjewellery.com](http://www.renjewellery.com).

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

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, August 7, 2014

### Insider Trading Code

The Company has adopted a Code of Conduct for Prevention of Insider Trading, applicable to the Directors and the Senior Management personnel. The same was approved by the Board of Directors in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Company has implemented an effective mechanism to track and monitor Insider Trading activities in securities of the Company. Under this mechanism the Compliance Officer receives weekly reports of insider trading, which ensures the compliance and effective implementation of the Insider Trading Code.



## 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 under review 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

All the members of Audit Committee are Non-Executive and Independent Directors. During the financial year under review Mr. Veerkumar C. Shah was the Chairman of the Audit Committee. The other members of the Audit Committee were Mr. Vishwas V. Mehendale and Mr. Arun P. Sathe.

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

The Committee's composition meets with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial/accounting expertise/exposure.

## Meetings and Attendance

During the year ended March 31, 2014, Four Audit Committee meetings were held on 27/05/2013, 30/07/2013, 12/11/2013 and 31/01/2014. 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 C. Shah	4	4
Vishwas V. Mehendale	4	4
Arun P. Sathe	3	4

## Attendees

The Executive Directors, VP – Finance, Internal Auditors and the Statutory 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 a credible and transparent policy on remuneration of Executive Directors including ESOP, Pension Rights and any compensation payment, on behalf of the Board and shareholders.
- Considering approving and recommending to the Board the changes in designation and increase in remuneration of the Executive Directors.
- Ensuring that 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 the Company and the shareholders.

## Constitution & Composition

This committee was constituted 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. Arun P. Sathe 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. G. M. Walavalkar, GM – Legal & Company Secretary acts as the Secretary to the Committee.

The terms of reference of this Committee was conferred on the 'Nomination and Remuneration Committee' re-constituted by the Board on May 23, 2014 and consequently, the Remuneration Committee was dissolved w.e.f. May 23, 2014, in compliance with provisions of Section 178(1) of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

## Meetings and Attendance

During the year ended March 31, 2014, one Remuneration Committee meeting was held on 31/01/2014. The attendance of each remuneration Committee member is given hereunder:

Name of the Directors	Number of Meetings attended during the year	Number of Meetings held during the year
Arun P. Sathe	1	1
Anil K. Chopra	1	1
Vishwas V. Mehendale	1	1

## THE SHAREHOLDERS'/INVESTORS' 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.

# Renaissance Jewellery Limited

## Constitution & Composition

All the members of Shareholders'/Investors' Grievances 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. V. C. Shah and Mr. Arun P. Sathe.

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

The terms of reference of this Committee was conferred on the 'Stakeholders Relationship Committee' re-constituted by the Board on May 23, 2014 and consequently, the 'Shareholders'/Investors' Grievance Committee' was dissolved w.e.f. May 23, 2014, in compliance with provisions of Section 178(5) of the Companies Act, 2013.

## Meetings and Attendance

During the year ended March 31, 2014, Four Shareholders'/Investors' Grievances Committee meetings were held on 27/05/2013, 30/07/2013, 12/11/2013 and 31/01/2014. 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 K. Chopra	4	4
Veerakumar C. Shah	4	4
Arun P. Sathe	3	4

## THE ESPS COMPENSATION COMMITTEE

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

## Constitution & Composition

During the Financial Year under review, Mr. Vishwas V. Mehendale was the Chairman of the ESPS Compensation Committee. The other members of the Committee were Mr. Arun P. Sathe and Mr. Hitesh M. Shah.

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

## Meetings and Attendance

During the year ended March 31, 2014, no meeting of the ESPS Compensation Committee was held.

## COMPLIANCE OFFICER

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

## SHAREHOLDERS' COMPLAINTS

During the financial year ended March 31, 2014, the Company has received 3 new 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 is one complaint/request, which awaits judicial determination.

## GENERAL BODY MEETINGS

Details of the last three Annual General Meetings are as follows:

Day	Date	Time	Venue
Friday	August 30, 2013	3.30 p.m	Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari -
Friday	September 7, 2012	3.30 p.m	Vikhroli Link Road, Andheri (E), Mumbai – 400 093
Wednesday	September 7, 2011	3.30 p.m	

## Special Resolutions

No Special Resolution was passed at the above mentioned Annual General Meetings.

No special resolution was passed through Postal Ballot during 2013-14. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing of special resolution(s) through Postal Ballot.

## 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 have 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 one vernacular language) as per the guidelines issued from time to time.

### Communication/notices etc. through electronic mode

The Company appreciates the response and support extended by the shareholders of the Company to the "Green Initiative in Corporate Governance" initiated by the Ministry of Corporate Affairs' (MCA). The Company will send various notices/documents including General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. to its members through electronic mode to their registered e-mail addresses.

As a member of the Company, the shareholders will be entitled to get a copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto, upon receipt of a requisition from them, at any time.

Please note that these documents will also be available on the Company's website [www.renjewellery.com](http://www.renjewellery.com) for download by the shareholders.

To support this green initiative of the MCA, in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses with their concerned Depository Participants, in respect of electronic holdings. Members who hold shares in physical form are requested to write to the Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd. or to the Company.

## MANAGEMENT DISCUSSION & ANALYSIS

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 (CFO), 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 23, 2014, in which the Audited Accounts for the Financial Year ended March 31, 2014 were considered and approved by the Board of Directors.

## SHAREHOLDER INFORMATION

### Twenty Fifth Annual General Meeting Details

<b>Day</b>	Friday
<b>Date</b>	September 12, 2014
<b>Time</b>	3.30 p.m.
<b>Venue</b>	Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari - Vikhroli 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 : Thursday, September 04, 2014

To : Friday, September 12, 2014  
(Both days inclusive)

### Dividend Payment Date

Dividend Payment Date: on or before October 11, 2014.

### Listing on Stock Exchanges

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

Name of Stock Exchanges	Scrip 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

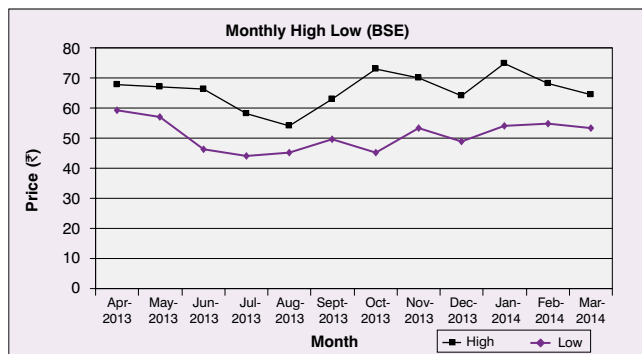


# Renaissance Jewellery Limited

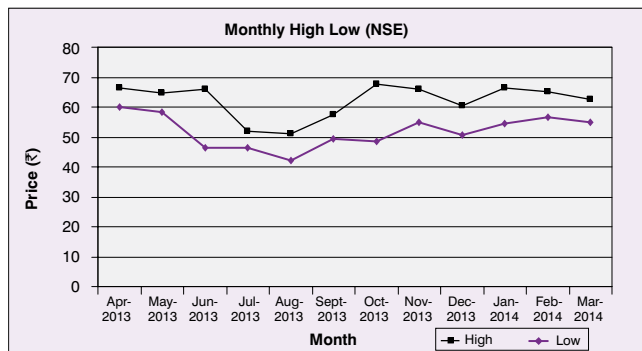
## Market Price Data

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-13	67.95	59.40	66.45	60.00
May-13	67.00	57.00	64.60	58.50
Jun-13	66.35	46.25	65.80	46.45
Jul-13	58.00	44.10	51.80	46.30
Aug-13	53.95	45.30	51.10	42.20
Sep-13	62.90	49.50	57.45	49.50
Oct-13	72.95	45.05	67.65	48.50
Nov-13	70.00	53.30	65.80	54.90
Dec-13	64.00	49.00	60.45	50.55
Jan-14	75.00	54.00	66.45	54.55
Feb-14	68.00	55.00	65.00	56.50
Mar-14	64.45	53.15	62.55	55.00

## BSE Price Data



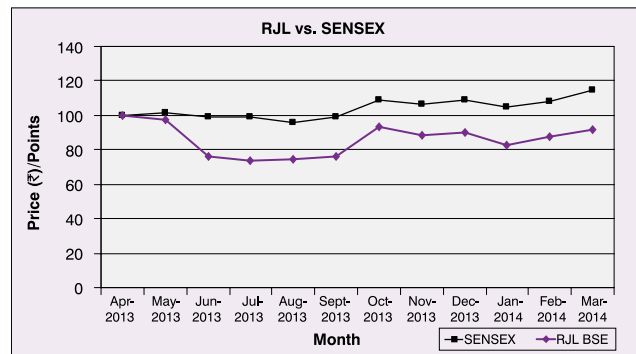
## NSE Price Data



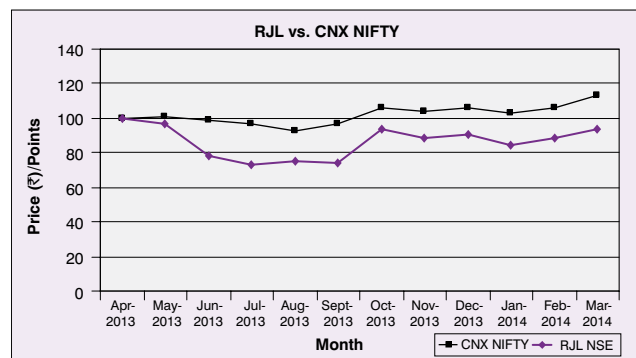
## Performance in comparison with SENSEX/S&P CNX NIFTY

The performance of the Company's shares related to SENSEX and S&P CNX NIFTY at a common base of 100 is as follows. The period covered is April 2013 to March 2014.

### 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](mailto: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 the beneficial holdings data from the Depository, 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, 2014

Shareholding of Nominal Value of ₹	No. of Shareholders	%	No. of Shares	Amount in ₹	%
Up to 5000	11475	95.15	934121	9341210	4.90
5001 to 10000	234	1.95	187472	1874720	0.98
10001 to 20000	131	1.09	195048	1950480	1.02
20001 to 30000	58	0.48	148484	1484840	0.78
30001 to 40000	28	0.23	98296	982960	0.52
40001 to 50000	27	0.22	116566	1165660	0.61
50001 to 100000	44	0.36	309387	3093870	1.62
100001 onwards	63	0.52	1709066	17090660	89.57
<b>Total</b>	<b>12060</b>	<b>100</b>	<b>19079440</b>	<b>190794400</b>	<b>100</b>

#### Shareholding pattern as on March 31, 2014

Category	No. of Shares	Percentage
<b>A. Promoters' Holding</b>		
1. Promoters	9105946	47.73
2. Promoter Trust	2607040	13.66
3. Relatives of Promoters	2596514	13.61
4. Corporate Bodies (Promoter Co)	80	0.00
<b>Sub Total A</b>	<b>14309580</b>	<b>75.00</b>
<b>B. Non Promoters' Holding</b>		
<b>Institutional Investors:</b>		
Mutual Fund	0	0.00
Insurance Companies	0	0.00
Non Nationalized Banks	70000	0.37
Foreign Inst. Investors	521372	2.73
<b>Sub Total</b>	<b>591372</b>	<b>3.10</b>
<b>Non Institutional Investors:</b>		
Other Bodies Corporate	404124	2.12
Clearing Member	94176	0.50
Non Resident Indians	58221	0.31
Non Resident (Non Repatriable)	3950	0.02
Public	2965443	15.54
Trusts	652574	3.42
<b>Sub Total</b>	<b>4178488</b>	<b>21.90</b>
<b>Sub Total B</b>	<b>4769860</b>	<b>25.00</b>
<b>Grand Total</b>	<b>19079440</b>	<b>100.00</b>

#### Inter se transfer of shares by the promoter

Mr. Niranjan Shah, Executive Chairman and one of the promoters of the Company, has transferred 2607040 equity shares to the family trust viz. "Niranjan Family Private Trust", pursuant to a private family arrangement. This transaction was done under the provisions of Inter se Transfer of shares, after seeking an exemption from Securities and Exchange

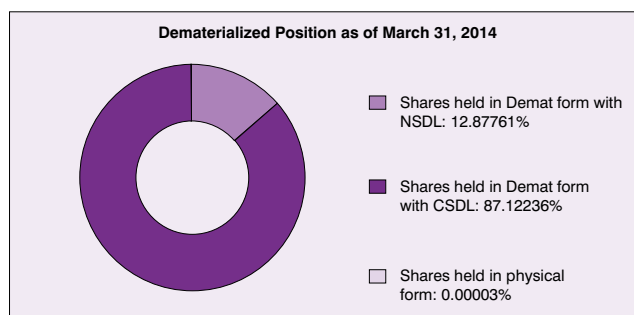
Board of India (SEBI) for making an Open Offer as per Regulation 3(2), read with Regulation 3(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

#### 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).

Your Company has fully complied with the SEBI Circular – Cir/ISD/3/2011, dated June 17, 2011 by achieving 100% of promoter's and promoter group's shareholding in dematerialized form.

At present 99.9% 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. The Company does not have any preference shares, outstanding ADRs, GDRs, or any convertible instruments.

#### 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/IPO Refund

Pursuant to Section 205C of the Companies Act, 1956, IPO Refund/dividends that are 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

# Renaissance Jewellery Limited

of IPO Refund/declaration of dividend and corresponding dates when the unclaimed amounts will be due for transfer to IEPF:

Financial Year	Due for payment	Due Date for transfer to IEPF
<b>IPO Refund</b>		
2006-07	December 5, 2007	January 4, 2015
<b>Date of declaration of Dividend</b>		
2007-2008	September 5, 2008	October 5, 2015
2008-2009	August 28, 2009	September 27, 2016
2009-2010	August 25, 2010	September 24, 2017
2010-2011	September 7, 2011	October 7, 2018
2011-2012	September 7, 2012	October 7, 2019
2012-2013	August 30, 2013	September 28, 2020

Members who have so far not claimed their IPO Refund/encashed their dividend warrants are requested to write to the Company/Registrar to claim the same before the above mentioned due dates, to avoid transfer to IEPF.

Members are advised that no claims shall lie against the said Fund or the Company for the amounts so transferred to the said Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 30, 2013 (date of last Annual General Meeting) on the website of the Company ([www.renjewellery.com](http://www.renjewellery.com)), as also on the website of the Ministry of Corporate.

## Disclosure pursuant to Clause 5A of the Listing Agreement

As per Clause 5A of the Listing Agreement inserted as per SEBI notification no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009, the details in respect of the shares, which were issued from time to time and lying in the suspense account, are as under:

Description	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares as on April 1, 2013	19	1112
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2014	0	0
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2014	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2014	19	1112

The voting rights on the shares outstanding in the suspense account as on March 31, 2014 shall remain frozen till the rightful owner of such shares claims the shares. In compliance with the said requirements, these shares will be transferred into a single folio in the name of 'Unclaimed Suspense Account' in due course.

## 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

### 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 in the news papers and the same are also available on Companies website [www.renjewellery.com](http://www.renjewellery.com).

**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 endeavor 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.

**Vigil Mechanism**

The Company has adopted a Whistle Blower Policy and the same has been communicated within the organization, in compliance with the Clause 49

of the Listing Agreement entered with Stock Exchanges and the provisions of Section 177(9) of the Companies Act, 2013 and same is available on Companies website [www.renjewellery.com](http://www.renjewellery.com).

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATION**

A certificate from the Practicing Company Secretary, M/s. V. V. Chakradeo & Co., Company Secretary, 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, August 07, 2014

**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, 2014 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**

**Dilip Joshi**  
**Chief Financial Officer**

Mumbai, May 23, 2014

**CERTIFICATE OF PRACTICING COMPANY SECRETARY**

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 2014, 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 V. V. Chakradeo & Co.,**  
Company Secretary

**V. V. Chakradeo**  
**COP 1705**

Mumbai, August 07, 2014





Level of customer satisfaction

Quantity	%		Indicator
	Conformity	Nonconformity	
502	94,90%	5,10%	0,90 ☺
453	93,40%	6,60%	0,87 ☺
404	91,80%	8,20%	0,84 ☺
355	88,47%	11,53%	0,77 ☺
306	85,30%	13,70%	0,73 ☺
257	81,40%	18,54%	0,63 ☺
208	77,40%	22,60%	0,61 ☺
159	73,40%	26,60%	0,54 ☺
110	70,40%	29,60%	0,45 ☺
61	67,40%	32,60%	0,40 ☺
12	64,40%	35,60%	0,35 ☺

# FINANCIAL STATEMENTS

# Independent Auditor's Report

To the Members of  
**Renaissance Jewellery Limited**

## Report on Financial Statements

We have audited the accompanying financial statements of Renaissance Jewellery Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2014, the Statement of Profit & Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act") read with the General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Matters

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations 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;
  - c) the Balance Sheet, the Statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, the Statement of Profit & Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

**For J. K. Shah & Co.**  
Chartered Accountants  
Registration No. 109606W

**Sanjay A. Gandhi**  
Partner  
Membership No: 048570

Place: Mumbai  
Date: May 23, 2014

## Annexure referred to in paragraph 3 of our report of even date Re: Renaissance Jewellery Limited ('the Company')

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets *except where item wise particulars in the fixed asset register and tagging of fixed assets are in the process of updation.*
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventories. As explained to us there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- iii. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) The Company has taken interest free loan from three directors covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 2,364.38 Lacs and the year-end balance of loans taken from such parties was ₹ 1,909.11 Lacs.
- (c) In our opinion and according to the information and explanations given to us, the other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (d) The loans taken are re-payable on demand and have been paid regularly and thus, there has been no default on the part of the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- v. In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, related to manufacture of jewellery and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- ix. (a) Undisputed statutory dues including income tax, provident fund, investor education and protection fund, employees' state insurance, wealth-tax, customs duty, sales tax, service tax, excise duty and other material statutory dues applicable to it have generally been regularly deposited with appropriate authorities *except for few cases of income tax and Employees' State Insurance Corporation.*

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, the disputed dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Penalty	3	1998-1999 2002-2003	CESTAT
Customs Act, 1962	Duty and Penalty for Non-compliance with SEZ rules	21,322	April 2005 to March 2009	Bombay High Court

- x. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us, the Company has given guarantee for loans taken by its indirect subsidiary from a bank. According to the information and explanations given, we are of the opinion that the terms and condition thereof are not prima-facie prejudicial to the interest of the Company.

xvi. The Company has not taken any term loans during the year.

xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xix. The Company did not have any outstanding debentures during the year.

xx. The Company has not raised any money through a public issue during the year.

xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For J. K. Shah & Co.**  
Chartered Accountants  
Registration No. 109606W

**Sanjay A. Gandhi**  
Partner  
Membership No. 048570

Place: Mumbai  
Date: May 23, 2014



# Balance Sheet

as at March 31, 2014

	NOTES	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	1,907.94	1,907.94
Reserves and Surplus	4	32,490.88	28,589.06
		<b>34,398.82</b>	<b>30,497.00</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provision	5	218.03	129.07
		<b>218.03</b>	<b>129.07</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	6	26,859.77	18,469.45
Trade payables	7	17,405.83	12,473.09
Other Current liabilities	7	732.87	414.48
Short-term provisions	5	471.31	438.34
		<b>45,469.78</b>	<b>31,795.36</b>
<b>TOTAL</b>		<b>80,086.63</b>	<b>62,421.43</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	8	4,331.75	4,162.70
Intangible assets	8	50.86	54.54
Capital work-in-progress		32.24	103.98
Non-current investments	9	10,515.53	10,509.33
Deferred tax assets (net)	10	33.74	28.90
Long-term loans and advances	11	1,255.26	1,125.23
Other non-current assets	12.2	25.61	52.93
		<b>16,244.99</b>	<b>16,037.61</b>
<b>CURRENT ASSETS</b>			
Inventories	13	24,826.10	20,975.06
Trade receivables	12.1	34,971.80	23,020.51
Cash and bank balances	14	1,259.45	1,320.06
Short-term loans and advances	11	1,358.61	732.04
Other current assets	12.2	1,425.68	336.15
		<b>63,841.64</b>	<b>46,383.82</b>
<b>TOTAL</b>		<b>80,086.63</b>	<b>62,421.43</b>
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date  
**For J. K. Shah & Co.**  
 Chartered Accountants  
 Firm Registration No. 109606W  
**Sanjay A. Gandhi**  
 Partner  
 Membership No. 48570

Place: Mumbai  
 Date : May 23, 2014

For and on behalf of the board of directors of  
**Renaissance Jewellery Limited**

**Niranjan A. Shah**  
 Executive Chairman

**Ghanashyam M. Walavalkar**  
 Company Secretary

**Sumit N. Shah**  
 Managing Director

**Hitesh M. Shah**  
 Executive Director

**Dilip B. Joshi**  
 Chief Financial Officer

Place: Mumbai  
 Date : May 23, 2014

# Statement of Profit and Loss

## for the year ended March 31, 2014

	NOTES	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>INCOME</b>			
Revenue from operations	15	98,229.65	71,900.74
Other income	16	68.29	74.09
<b>TOTAL REVENUE (I)</b>		<b>98,297.94</b>	<b>71,974.83</b>
<b>EXPENSES</b>			
Cost of materials consumed	17	81,017.12	53,472.54
(Increase)/decrease in inventories	18	(6,210.77)	2,854.69
Purchase of traded goods		—	0.15
Employee benefit expense	19	4,722.63	5,835.02
Other expenses	20	13,986.95	6,206.92
<b>TOTAL (II)</b>		<b>93,515.93</b>	<b>68,369.32</b>
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		4,782.01	3,605.51
Depreciation and amortization expense	21	686.36	684.07
Finance costs	22	811.90	963.45
<b>PROFIT BEFORE TAX</b>		<b>3,283.75</b>	<b>1,957.99</b>
<b>TAX EXPENSES</b>			
Current tax		689.00	422.00
Less: MAT credit entitlement		(111.00)	—
Net current tax expenses		578.00	422.00
Deferred tax		(4.84)	125.18
Earlier year's tax		—	7.88
MAT of earlier year		—	66.15
<b>TOTAL TAX EXPENSE</b>		<b>573.16</b>	<b>621.21</b>
<b>PROFIT AFTER TAX FOR THE YEAR</b>		<b>2,710.59</b>	<b>1,336.78</b>
Earning per equity share [nominal value of share ₹ 10/-] (March 31, 2013: ₹ 10/-)	28		
<b>BASIC</b>		₹ 14.21	₹ 7.01
<b>DILUTED</b>		₹ 14.21	₹ 7.01
Summary of Significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date  
**For J. K. Shah & Co.**  
Chartered Accountants  
Firm Registration No. 109606W  
**Sanjay A. Gandhi**  
Partner  
Membership No. 48570

For and on behalf of the board of directors of  
**Renaissance Jewellery Limited**

**Niranjan A. Shah**  
Executive Chairman  
**Ghanashyam M. Walavalkar**  
Company Secretary

**Sumit N. Shah**  
Managing Director

**Hitesh M. Shah**  
Executive Director  
**Dilip B. Joshi**  
Chief Financial Officer

Place: Mumbai  
Date : May 23, 2014

Place: Mumbai  
Date : May 23, 2014

# Cash Flow Statement

## for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,283.75	1,957.99
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	686.36	684.07
Sundry balance written off	46.33	88.19
Unrealized foreign exchange loss/(gain)	101.29	(380.01)
Loss/(profit) on sale of fixed assets	2.57	1.06
Loss/(profit) on sale of non current investment	—	(1.67)
Interest expense	811.90	963.45
Interest income	(60.88)	(50.63)
Dividend Income	—	(5.82)
Operating profit before working capital changes	<b>4,871.32</b>	<b>3,256.63</b>
(Increase)/decrease in Working Capital	(10,062.65)	(511.41)
Cash generated from/(used in) operations	<b>(5,191.33)</b>	<b>2,745.21</b>
Direct taxes paid (Net of refunds)	610.57	505.98
<b>Net cash flow from/(used in) operating activity (A)</b>	<b>(5,801.90)</b>	<b>2,239.23</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(878.79)	(717.33)
Proceeds from sale of fixed assets	78.91	43.69
Proceeds from sale/maturity of non-trade investments	—	162.34
Investment in subsidiaries	(6.20)	(652.58)
Redemption/maturity of bank deposits (having original maturity of more than three months)	(197.38)	34.82
Interest received	54.45	50.74
Dividend received	—	5.82
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(949.01)</b>	<b>(1,072.50)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) from/of short-term borrowing (net)	7,526.88	(76.16)
Interest paid	(810.74)	(964.33)
Dividend and tax on dividend paid on Equity Shares	(223.22)	(332.62)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>6,492.92</b>	<b>(1,373.11)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(257.99)</b>	<b>(206.38)</b>
Cash and cash equivalents at the beginning of the year	1,205.66	1,410.14
Add: Opening cash balance of "CARO Fine Jewellery Private Limited" pursuant of scheme amalgamation	—	1.90
<b>Cash and cash equivalents at the end of the year</b>	<b>947.67</b>	<b>1,205.66</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on hand	12.12	25.25
With banks		
– on current account	728.68	1,119.53
– on deposit account	202.68	53.54
– on unpaid dividend account *	4.19	7.34
<b>Cash and Cash Equivalents (Refer note 14)</b>	<b>947.67</b>	<b>1,205.66</b>
* The company can utilize these balances only towards the settlement of the respective unpaid dividend.		
Summary of significant accounting policies	2.1	

As per our report of even date  
**For J. K. Shah & Co.**  
 Chartered Accountants  
 Firm Registration No. 109606W  
**Sanjay A. Gandhi**  
 Partner  
 Membership No. 48570

For and on behalf of the board of directors of  
**Renaissance Jewellery Limited**

**Niranjan A. Shah**  
 Executive Chairman  
**Ghanashyam M. Walavalkar**  
 Company Secretary

**Sumit N. Shah**  
 Managing Director

**Hitesh M. Shah**  
 Executive Director  
**Dilip B. Joshi**  
 Chief Financial Officer

Place: Mumbai  
 Date : May 23, 2014

Place: Mumbai  
 Date : May 23, 2014

# Notes to the Financial Statements

## for the year ended March 31, 2014

### 1. CORPORATE INFORMATION

Renaissance Jewellery Limited (“the Company”) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company is engaged in the manufacture of diamond studded jewellery which are majorly exported to countries like USA, Hong Kong, etc.

### 2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### 2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future periods.

#### b) Tangible fixed assets

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

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

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### c) Depreciation/Amortization

Depreciation on fixed assets is calculated on a written down value basis using the rates prescribed in Schedule XIV to the Companies Act, 1956. The Company has used the following rates to provide depreciation on its fixed assets.

Nature of Assets	Rates (WDV)
Factory buildings	10%
Other buildings	5%
Plant and equipments	13.91%
Furniture and fixtures	18.1%
Vehicles	25.89%
Computers	40%
Office Equipment	13.91%
Leasehold Improvements	18.1% or the rate based on lease period, whichever is higher



## Notes to the Financial Statements for the year ended March 31, 2014

Further in respect of assets built on leasehold land or leasehold premises, if the life as per Schedule XIV is more than the balance period of lease as per lease term the asset shall be written off over the balance period of lease. Leasehold Land is amortized on a straight line basis over the period of lease i.e. 24 years. Fixed assets costing ₹ 5,000 or less are depreciated fully in the year of acquisition.

### d) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the Company's intangible assets is as below:

Computer Software	20%
-------------------	-----

### e) Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

### f) Leases

#### Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

### g) Investments

Investments that are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### h) Inventories

Cut & Polished Diamonds	Polished diamonds are valued at lower of cost or net realizable value. Cost is ascertained on lot-wise weighted average basis.
Raw materials	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on specific identification basis. Cost of raw materials comprises of cost of purchase and other cost in bringing the inventory to their present location and condition excluding refundable taxes and duties.

## Notes to the Financial Statements for the year ended March 31, 2014

Work-in-progress and Finished goods	Lower of cost and net realizable value. Cost includes direct materials, labor and proportionately all other cost related to converting them into finished goods. Cost is determined on specific identification basis.
Stores and spares	Stores and spares are valued at lower of cost or net realizable value. The cost is computed on moving weighted average.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

#### Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

#### Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

#### Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the reporting date.

### j) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### k) Foreign currency translation

Foreign currency transactions and balances

#### a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### b) Conversion

Foreign currency monetary items are reported using the closing rate.

#### c) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

#### d) Forward Contracts

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

## Notes to the Financial Statements for the year ended March 31, 2014

**l) Retirement and other employee benefits**

A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligation. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.

Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

**m) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**n) Segment Reporting Policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

## Notes to the Financial Statements for the year ended March 31, 2014

### o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### p) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### r) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### s) Measurement of EBITDA

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956*, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.



## Notes to the Financial Statements for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>3. SHARE CAPITAL</b>		
Authorized shares		
27,000,000 (March 31, 2013 : 27,000,000) equity shares of ₹ 10/- each	2,700.00	2,700.00
Issued, subscribed and fully paid-up shares		
19,079,440 (March 31, 2013 : 19,079,440) equity shares of ₹ 10/- each	1,907.94	1,907.94
	<b>1,907.94</b>	<b>1,907.94</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Equity shares

	March 31, 2014		March 31, 2013	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	19,079,440	1,907.94	19,079,440	1,907.94
Issued during the year	—	—	—	—
<b>Outstanding at the end of the year</b>	<b>19,079,440</b>	<b>1,907.94</b>	<b>19,079,440</b>	<b>1,907.94</b>

Of the above, 720,000 Equity Shares of ₹ 10/- each fully paid-up have been issued during the period of five years immediately preceding the reporting date to RJL – Employee Welfare Trust pursuant to Employee Stock Purchase Scheme (ESPS). (Refer note 38)

**b. Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2014, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 1.00 (March 31, 2013: ₹ 1.00).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity share held by the shareholders.

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

	March 31, 2014		March 31, 2013	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of ₹ 10/- each fully paid up				
Niranjan A. Shah	2,607,040	13.66	5,214,080	27.33
Sumit N. Shah	4,171,120	21.86	4,171,120	21.86
Hitesh M. Shah	1,303,520	6.83	1,303,520	6.83
Kalpana N. Shah	1,274,380	6.68	1,088,308	5.70
Niranjan Family Private Trust	2,607,040	13.66	—	—

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## Notes to the Financial Statements for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>4. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Money received against equity share warrants forfeited, option not exercised by warrants holders	380.00	380.00
	<b>380.00</b>	<b>380.00</b>
<b>Securities Premium Reserve</b>		
Balance as per the last financial statements	7,128.62	7,128.32
Add : Addition on ESPS's exercised	—	—
	<b>7,128.62</b>	<b>7,128.62</b>
<b>General Reserve</b>		
Balance as per the last financial statements	599.00	1,281.00
Add : Amount transferred from surplus balance in the statement of profit and loss	68.00	34.00
Less : Amount adjusted pursuant to the scheme of amalgamation	—	(716.00)
	<b>667.00</b>	<b>599.00</b>
<b>Hedging Reserve</b>		
Hedging reserve account (Refer note 23)	1,414.47	—
	<b>1,414.47</b>	<b>—</b>
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	20,481.40	19,413.11
Transfer pursuant to the scheme of amalgamation	—	(11.27)
Profit for the year	2,710.59	1,336.78
Less : Appropriations		
Proposed final equity dividend [amount per share ₹ 1.00 (March 31, 2013: ₹ 1.00)]	190.79	190.79
Tax on proposed equity dividend	32.43	32.43
Transfer to general reserve	68.00	34.00
	<b>291.22</b>	<b>257.22</b>
<b>TOTAL APPROPRIATIONS</b>		
Net surplus in the statement of profit and loss	<b>22,900.77</b>	<b>20,481.40</b>
<b>TOTAL RESERVES AND SURPLUS</b>	<b>32,490.88</b>	<b>28,589.06</b>

	Long-term		Short-term	
	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>5. PROVISIONS</b>				
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer note 24)	124.21	66.59	227.58	202.89
Provision for Leave salary	93.82	62.48	20.51	12.23
	<b>218.03</b>	<b>129.07</b>	<b>248.09</b>	<b>215.12</b>
<b>Other provisions</b>				
Proposed equity dividend	—	—	190.79	190.79
Provision for tax on proposed equity dividend	—	—	32.43	32.43
	<b>—</b>	<b>—</b>	<b>223.22</b>	<b>223.22</b>

## Notes to the Financial Statements for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>6. SHORT-TERM BORROWINGS</b>		
Working Capital Finance from banks denominated in Foreign Currency (secured)	24,914.95	18,086.96
Working Capital Finance from banks denominated in Indian Currency (secured)	35.71	290.00
Interest free loan from related parties repayable on demand (unsecured)	1,909.11	92.49
	<b>26,859.77</b>	<b>18,469.45</b>
<p>(The Working Capital Loan is secured by first charge on pari passu basis by way of hypothecation and/or pledge of company's current assets both present and future, by way of joint equitable mortgage of Company's factory premises situated at Plot Nos. 36A and 37 (Mumbai), at Plot No. 2302 (Bhavnagar) and office premises situated bearing no CC9081 with car parking situated at Bharat Diamond Bourse and hypothecation of machinery and plant, furniture and fixtures, electrical installations, office equipments, erected and installed therein and by personal guarantee of some of the directors/promoters. The working capital finance is generally having tenure of 180 days. The Foreign currency loans carries interest rate @ LIBOR plus 2% to 4.5% and Indian currency Loans carries interest rate @ 10% to 12%.)</p>		
<b>7. TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>		
Trade payable (Refer note 33 for details of dues to micro and small enterprises)	17,405.83	12,473.09
<b>Other liabilities</b>		
Interest accrued but not due on gold loan	1.46	0.30
Salaries, wages and others payables	645.80	320.20
Investor Education and Protection Fund will be credited by following amount (as and when due)		
Unclaimed dividend	4.19	7.34
Other payables		
Statutory dues payable	81.42	86.64
	<b>732.87</b>	<b>414.48</b>
	<b>18,138.70</b>	<b>12,887.57</b>

# Notes to the Financial Statements for the year ended March 31, 2014

## 8. TANGIBLE AND INTANGIBLE ASSETS

₹ in lacs

	Tangible Assets											Intangible Assets	
	Land	Factory Building	Non-Factory Building	Plant & Equipment	Electrical Installations	Office Equipment	Computers	Furniture and fixtures	Vehicles	Leasehold Improvements	Total (Tangible Assets)	Computer Software	Total Intangible Assets
<b>Cost or valuation</b>													
At April 01, 2012	200.25	1,237.17	292.95	2,638.05	408.88	527.71	385.14	749.52	234.62	827.98	7,502.27	50.73	50.73
Additions	—	2.55	3.49	265.17	17.91	36.51	39.55	50.78	149.25	7.88	573.09	32.21	32.21
Acquired on Amalgamation	—	34.29	—	43.04	22.24	33.95	5.17	47.58	—	79.08	265.35	—	—
Disposals	—	—	—	(63.94)	—	—	—	—	(5.95)	—	(59.89)	—	—
<b>At March 31, 2013</b>	<b>200.25</b>	<b>1,274.01</b>	<b>296.44</b>	<b>2,892.32</b>	<b>449.03</b>	<b>598.17</b>	<b>429.86</b>	<b>847.88</b>	<b>377.92</b>	<b>914.94</b>	<b>8,280.82</b>	<b>82.94</b>	<b>82.94</b>
Additions	—	132.23	36.40	406.50	22.63	63.12	47.16	79.49	52.97	80.57	921.07	12.14	12.14
Acquired on Amalgamation	—	—	—	—	—	—	—	—	—	—	—	—	—
Disposals	—	—	—	(137.13)	(6.25)	(0.68)	(0.93)	(0.31)	(21.37)	—	(166.67)	—	—
<b>At March 31, 2014</b>	<b>200.25</b>	<b>1,406.24</b>	<b>332.84</b>	<b>3,161.69</b>	<b>465.41</b>	<b>660.61</b>	<b>476.09</b>	<b>927.06</b>	<b>409.52</b>	<b>995.51</b>	<b>9,035.22</b>	<b>95.08</b>	<b>95.08</b>
<b>Depreciation</b>													
At April 01, 2012	32.12	638.88	7.16	1,109.81	207.51	270.05	328.89	406.59	123.83	303.69	3,428.53	18.34	18.34
Charge for the year	3.65	60.17	14.46	242.18	35.48	45.70	33.92	83.88	50.98	103.59	674.01	10.06	10.06
Acquired on Amalgamation	—	30.37	—	0.07	0.03	0.05	0.02	0.09	—	0.09	30.72	—	—
Disposals	—	—	—	(10.83)	—	—	—	—	(4.31)	—	(15.14)	—	—
<b>At March 31, 2013</b>	<b>35.77</b>	<b>729.42</b>	<b>21.62</b>	<b>1,341.23</b>	<b>243.02</b>	<b>315.80</b>	<b>362.83</b>	<b>490.56</b>	<b>170.50</b>	<b>407.37</b>	<b>4,118.12</b>	<b>28.40</b>	<b>28.40</b>
Charge for the year	3.65	58.70	19.34	250.50	31.71	52.43	36.34	73.65	56.13	88.09	670.54	15.82	15.82
Acquired on Amalgamation	—	—	—	—	—	—	—	—	—	—	—	—	—
Disposals/Adjustments	—	—	—	(60.80)	(4.33)	(0.51)	—	(0.15)	(19.40)	—	(85.19)	—	—
<b>At March 31, 2014</b>	<b>39.42</b>	<b>788.12</b>	<b>40.96</b>	<b>1,530.93</b>	<b>270.40</b>	<b>367.72</b>	<b>399.17</b>	<b>564.06</b>	<b>207.23</b>	<b>495.46</b>	<b>4,703.47</b>	<b>44.22</b>	<b>44.22</b>
<b>Net Block</b>													
At March 31, 2013	164.48	544.59	274.82	1,551.09	206.01	282.37	67.03	357.32	207.42	507.57	4,162.70	54.54	54.54
At March 31, 2014	160.83	618.12	291.88	1,630.76	195.01	292.89	76.92	363.00	202.29	500.05	4,331.75	50.86	50.86



## Notes to the Financial Statements for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>9. NON-CURRENT INVESTMENTS</b>		
<b>(Trade investments (valued at cost unless stated otherwise))</b>		
<b>In Equity Shares (Unquoted-Trade)</b>		
Subsidiaries Companies		
i) Equity Shares without par value of Renaissance Jewelry N.Y Inc. (Nos. of Equity Shares 100 PY : 100)	5,082.74	5,082.74
ii) Equity Shares of GBP 1/- each of Verigold Jewellery (UK) Ltd. (Nos. of Equity Shares 450,000 PY : 450,000)	309.72	309.72
iii) Equity Shares of ₹ 10/- each of N. Kumar Diamond Exports Pvt Ltd. (Nos. of Equity Shares 65,00,000 PY : 65,00,000)	1,235.00	1,235.00
iv) Equity Shares of Tk. 100/- each of Renaissance Jewellery Bangladesh Pvt. Ltd. (Nos. of Equity Shares 1,479,366 PY : 1,479,366)	930.97	930.97
<b>In Preference Shares (Unquoted-Trade)</b>		
i) Eight years' 0% optionally convertible Redeemable Preference shares of ₹ 10/- each of House Full International Ltd. (Nos. of Preference Shares 25,000,000 PY : 25,000,000)	2,500.00	2,500.00
<b>In Mutual Funds (Unquoted-Non Trade)</b>		
i) SBI PSU Fund of ₹ 10/- each (Nos. of units 100,000 PY : 100,000)	10.00	10.00
<b>In Limited Liability Partnership</b>		
i) Aurelle Jewellery LLP (Refer note below)	6.20	—
<b>Others</b>		
<b>Application money pending allotment</b>		
Renaissance Jewellery Bangladesh Pvt. Ltd. – Subsidiary company	440.90	440.90
	<b>10,515.53</b>	<b>10,509.33</b>
Aggregate amount of unquoted investments	10,515.53	10,509.33
<b>Details of Investment in LLP</b>		
<i>Investment in Aurelle Jewellery LLP</i>		
<b>Name of Partners</b>		
Renaissance Jewellery Limited	66.00%	0.00%
Mr. Vikash Kanoi	34.00%	0.00%
<b>Total Capital of LLP (₹ in Lacs)</b>	<b>10.00</b>	<b>0.00</b>
<b>10. DEFERRED TAX ASSETS (NET)</b>		
Deferred tax liability:		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	124.70	106.64
Add: Transfer pursuant to the scheme of amalgamation	—	4.36
<b>Gross deferred tax liabilities</b>	<b>124.70</b>	<b>111.00</b>
Provision for leave salary & gratuity	158.44	116.99
Provision for Bonus/Ex-gratia	—	22.91
<b>Gross deferred tax assets</b>	<b>158.44</b>	<b>139.90</b>
<b>Net deferred tax asset</b>	<b>33.74</b>	<b>28.90</b>

## Notes to the Financial Statements

### for the year ended March 31, 2014

	Non-Current		Current	
	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>11. LOANS AND ADVANCES</b>				
(Unsecured, considered good)				
<b>Capital advances</b>				
Unsecured, considered good	52.17	34.85	—	—
(A)	<b>52.17</b>	<b>34.85</b>	<b>—</b>	<b>—</b>
<b>Security deposit</b>				
Unsecured, considered good	88.10	86.39	—	—
(B)	<b>88.10</b>	<b>86.39</b>	<b>—</b>	<b>—</b>
<b>Loan and advances to related parties</b> (Refer note 26)				
Unsecured, considered good	—	—	12.35	—
(C)	<b>—</b>	<b>—</b>	<b>12.35</b>	<b>—</b>
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	—	—	705.28	164.42
(D)	<b>—</b>	<b>—</b>	<b>705.28</b>	<b>164.42</b>

	Non-Current		Current	
	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>Other loans and advances</b>				
<b>Unsecured, considered good</b>				
Advance income-tax (net of provisions)	12.56	12.56	39.20	117.63
Minimum Alternate Tax Credit Entitlement	812.05	701.05	—	—
Prepaid expenses	—	—	145.65	144.50
Balance with RJL Employee Welfare Trust	290.38	290.38	—	—
Loans to employees	—	—	28.25	58.23
Balance with statutory/government authorities	—	—	427.88	247.26
(E)	<b>1,114.99</b>	<b>1,003.99</b>	<b>640.98</b>	<b>567.62</b>
<b>Total (A+B+C+D+E)</b>	<b>1,255.26</b>	<b>1,125.23</b>	<b>1,358.61</b>	<b>732.04</b>

## Notes to the Financial Statements for the year ended March 31, 2014

	Non-Current		Current	
	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>12. TRADE RECEIVABLES AND OTHER ASSETS</b>				
<b>12.1 TRADE RECEIVABLES</b>				
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	—	—	7.49	38.73
Other receivables	—	—	34,964.31	22,981.78
<b>TOTAL</b>	<b>—</b>	<b>—</b>	<b>34,971.80</b>	<b>23,020.51</b>
<b>12.2 OTHER ASSETS</b>				
Deposits with original maturity for more than 12 months (Refer note 14)	22.85	52.16	—	—
<b>(A)</b>	<b>22.85</b>	<b>52.16</b>	<b>—</b>	<b>—</b>
<b>Unamortized expenditure</b>				
Forward contract receivable (net)	—	—	1,417.51	332.42
<b>(B)</b>	<b>—</b>	<b>—</b>	<b>1,417.51</b>	<b>332.42</b>
<b>Others</b>				
Interest accrued on fixed deposits	2.76	0.77	8.17	3.73
<b>(C)</b>	<b>2.76</b>	<b>0.77</b>	<b>8.17</b>	<b>3.73</b>
<b>TOTAL (A+B+C)</b>	<b>25.61</b>	<b>52.93</b>	<b>1,425.68</b>	<b>336.15</b>

## Notes to the Financial Statements

### for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs		March 31, 2013 ₹ In Lacs	
<b>13. INVENTORIES</b>				
Raw Materials				
Gems and diamonds		9,912.93		11,942.13
Gold, Silver and others (Refer note 39)		190.37		546.29
Manufactured Jewellery (Finished Goods)		448.31		357.97
Work-in-progress		13,862.55		7,742.12
Consumable, tools and spares		411.94		386.55
		<b>24,826.10</b>		<b>20,975.06</b>
	<b>Non-Current</b>		<b>Current</b>	
	<b>March 31, 2014</b> ₹ In Lacs	<b>March 31, 2013</b> ₹ In Lacs	<b>March 31, 2014</b> ₹ In Lacs	<b>March 31, 2013</b> ₹ In Lacs
<b>14. CASH AND BANK BALANCES</b>				
<b>Cash and cash equivalents</b>				
<b>Balance with banks:</b>				
On current accounts	—	—	728.68	1,119.53
Deposits with original maturity of less than 3 months	—	—	202.68	53.54
On unclaim dividend account	—	—	4.19	7.34
Cash on hand	—	—	12.12	25.25
<b>(A)</b>	<b>—</b>	<b>—</b>	<b>947.67</b>	<b>1,205.66</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months	22.85	52.16	—	—
Deposits with original maturity of more than three months but less than 12 months	—	—	178.88	112.60
Margin Money Deposit with banks against gold loan	—	—	132.90	1.80
	<b>22.85</b>	<b>52.16</b>	<b>311.78</b>	<b>114.40</b>
Amount disclosed under "other asset" (Refer note 12.2)	(22.85)	(52.16)	—	—
<b>(B)</b>	<b>—</b>	<b>—</b>	<b>311.78</b>	<b>114.40</b>
<b>TOTAL (A+B)</b>	<b>—</b>	<b>—</b>	<b>1,259.45</b>	<b>1,320.06</b>

## Notes to the Financial Statements for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>15. REVENUE FROM OPERATIONS</b>		
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Jewellery	93,720.07	66,488.10
Gems and diamonds	4,501.40	5,401.07
<b>Sale of services</b>		
Jewellery making charges	4.57	1.43
<b>Other operating revenues</b>		
Sale of dust	3.61	10.14
<b>Revenue from operations</b>	<b>98,229.65</b>	<b>71,900.74</b>
<b>16. OTHER INCOME</b>		
Interest income on		
Bank deposits	60.88	40.14
Loan to indirect subsidiary	—	10.49
Dividend income on long-term investment	—	5.82
Gain on redemption of long-term investment	—	1.67
Other non-operating income	7.41	15.97
	<b>68.29</b>	<b>74.09</b>
<b>17. COST OF MATERIALS CONSUMED</b>		
Material consumed		
Inventory at the beginning of the year	12,488.43	8,650.79
Add : Transfer pursuant to the scheme of amalgamation	—	0.77
Add : Purchases	78,713.61	57,309.92
Less : Sale of raw materials	81.62	0.52
	91,120.42	65,960.96
Less : Inventory at the end of the year	10,103.30	12,488.42
<b>Total materials consumed</b>	<b>81,017.12</b>	<b>53,472.54</b>
<b>Details of materials consumed</b>		
Colour Stone	1,025.11	486.64
Diamond	62,809.18	37,607.54
Gold	10,052.57	8,052.32
Silver	2,870.08	3,334.81
Others	4,260.18	3,991.23
	<b>81,017.12</b>	<b>53,472.54</b>
<b>Details of inventory</b>		
Colour Stone	284.15	116.03
Diamond	9,628.79	11,826.11
Gold	—	329.66
Silver	—	12.97
Others	190.36	203.66
	<b>10,103.30</b>	<b>12,488.43</b>



## Notes to the Financial Statements

### for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>18. (INCREASE)/DECREASE IN INVENTORIES</b>		
<b>Inventories at the end of the year:</b>		
Work-in-progress	13,862.55	7,742.12
Finished goods	448.31	357.97
	<b>14,310.86</b>	<b>8,100.09</b>
<b>Inventories at the beginning of the year:</b>		
Work-in-progress	7,742.12	10,690.23
Finished goods	357.97	264.55
	8,100.09	10,954.78
	<b>(6,210.77)</b>	<b>2,854.69</b>
<b>Details of inventory:</b>		
<b>Work-in-progress:</b>		
Jewellery	13,862.55	7,742.12
	<b>13,862.55</b>	<b>7,742.12</b>
<b>Finished Goods:</b>		
Jewellery	448.31	357.97
	<b>448.31</b>	<b>357.97</b>
<b>19. EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages and bonus	3,885.91	4,778.39
Contribution to provident and other funds	302.03	362.21
Gratuity expense (Refer note 24)	82.31	224.73
Leave salary	78.71	120.50
Staff welfare expenses	373.67	349.19
	<b>4,722.63</b>	<b>5,835.02</b>
<b>20. OTHER EXPENSES</b>		
Consumption of stores and spare parts	1,180.68	1,006.67
Power and fuel	679.22	513.55
Water charges	50.00	44.94
Jewellery making charges	5,423.64	2,430.98
Freight and forwarding charges	164.96	116.94
Rent	120.74	86.36
Rates & Taxes	26.52	37.13
Insurance	185.88	140.19
Repairs and maintenance:		
Buildings	146.95	34.70
Machinery	45.02	40.98
Others	214.86	192.86
Exchange difference (net)	4,261.97	129.52
Payment to auditor (Refer details below)	22.25	26.25
Loss on sale of assets	2.57	1.06
Share of loss in LLP	2.30	—
Miscellaneous expenses	1,459.39	1,404.79
	<b>13,986.95</b>	<b>6,206.92</b>

## Notes to the Financial Statements for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>20. OTHER EXPENSES (Contd.)</b>		
<b>Payment to auditor</b>		
<b>As auditor:</b>		
Audit fee	13.75	13.11
Tax audit fee	3.00	2.25
Limited review	4.00	6.18
<b>In other capacity:</b>		
Taxation	1.50	1.12
Reimbursement of expenses	—	3.59
	<b>22.25</b>	<b>26.25#</b>
# Includes fees paid to previous auditor ₹ Nil (March 31, 2013 ₹ 6.40 Lacs)		
<b>21. DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation of tangible assets	670.54	674.01
Amortization of intangible assets	15.82	10.06
	<b>686.36</b>	<b>684.07</b>
<b>22. FINANCE COSTS</b>		
Interest	811.90	963.45
	<b>811.90</b>	<b>963.45</b>

### 23. HEDGE

The Company has changed its accounting policy with regard to recognition of exchange differences arising on translation of Forward contract and Exchange Traded Currency Futures Contracts by following an appropriate hedge accounting policy and applying the principles set out in AS-30 "Financial Instrument: Recognition and Measurement". The Company has w.e.f. April 01, 2013 designated Forward contract and Exchange Traded Currency Futures Contracts as hedge instrument to hedge its foreign currency risks of highly probable forecast transaction (of revenue streams) to be accounted as cash flow hedge. During the current year ended March 31, 2014, the net exchange difference gain on Forward contract and Exchange Traded Currency Futures Contracts amounting to ₹ 1,414.47 Lacs has been recognized in Hedging Reserve Account. Had this accounting treatment been not adopted by the Company, the profit (net of tax) on account of exchange difference gain for the current year would have been higher by ₹ 1,139.17 Lacs and consequently the reserves would have been lower by ₹ 275.30 Lacs.

### 24. EMPLOYEE BENEFITS

#### General Description of Defined Benefit plan:

#### Gratuity:

The Company operates single type of Gratuity plans wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining and eligibility terms. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

## Notes to the Financial Statements for the year ended March 31, 2014

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

	Gratuity	
	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>Statement of Profit &amp; Loss Account:</b>		
Net Employee Benefit Expense recognized in the employee cost		
Current service cost	68.16	72.09
Interest cost on benefit obligation	25.92	36.78
Past service Cost	—	—
Expected return on plan assets	(4.69)	(11.82)
Net actuarial (gain)/loss recognised in the year	(7.60)	127.68
<b>Net Benefit Expense:</b>	<b>81.79</b>	<b>224.73</b>
Actual Return on Plan Assets	1.87	15.20
<b>Balance sheet:</b>		
Benefit asset/liability		
Present Value of defined benefit obligation	(369.94)	(323.95)
Fair value of plan assets	—	—
<b>Plan assets/(liability)</b>	<b>(369.94)</b>	<b>(323.95)</b>
<b>Changes in Present Value of Defined Benefit:</b>		
Opening defined benefit obligation	323.95	432.71
Current service cost	68.16	72.09
Interest cost	25.92	36.78
Actuarial (gains)/losses on obligation	(10.40)	131.06
Past Service Cost	—	—
Benefits paid	(37.69)	(348.67)
<b>Closing defined benefit obligation</b>	<b>369.94</b>	<b>323.95</b>
<b>Changes in Fair Value of Plan Assets are as follows:</b>		
<b>Opening Fair Value of planned assets</b>	<b>53.97</b>	<b>137.44</b>
Expected return	4.67	11.82
Actuarial gain/(loss)	(2.80)	3.38
Contributions by employer	—	250.00
Benefits paid	(37.69)	(348.67)
<b>Closing Fair Value of plan assets</b>	<b>18.15</b>	<b>53.97</b>
The Company expects to contribute ₹ 227.57 Lacs to gratuity in the next year (March 31, 2013: ₹ 202.89 Lacs).		

## Notes to the Financial Statements for the year ended March 31, 2014

	Gratuity	
	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>The major category of plan assets as a percentage of the fair value of total plan assets are as follows:</b>		
Insurance of Policy	100%	100%
<b>The principal assumptions used in determining gratuity for the Company's plans are shown below:</b>		
Discount rate	8.00%	8.00%
Expected rate of return on assets	8.70%	8.70%
Age of Retirement	60	60
Annual increase in salary cost	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing as on that date, applicable to the period over which the obligation is expected to be settled.

### Amounts for the current and previous four periods are as follows:

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2010 ₹ In Lacs
<b>Gratuity:</b>					
Defined Benefit Obligation	(369.94)	(323.95)	(432.71)	(144.11)	(294.30)
Plan Assets	18.15	53.97	137.44	172.16	182.71
Surplus/(deficit)	(351.79)	(269.98)	(295.27)	28.05	(111.59)
Experience adjustment on plan liabilities	(351.79)	(269.71)	(180.20)	(128.86)	(3.85)
Experience adjustment on plan assets	1.89	15.20	13.44	(4.97)	(6.76)

## 25. SEGMENT INFORMATION

### Business Segments:

In accordance with the principles given in Accounting Standard on Segment Reporting (AS-17) notified by Companies (Accounting Standard) Rules 2006, the Company has determined its primary business segment as "Manufacturing and sale of Jewellery". The Company has no other reportable segment.

### Geographical Segments:

The Company's secondary segments are the geographic distribution of activities. Revenue and receivable are specified by location of customers while the other geographic information is specified by location of assets/liabilities. The following table presents Revenue, capital expenditure and certain asset information regarding the company geographical segments.

## Notes to the Financial Statements for the year ended March 31, 2014

Year ended March 31, 2014	India	Outside India	Total
<b>Revenue</b>			
Sales to external customers	1,606.75	96,622.90	98,229.65
<b>Other segment information</b>			
Carrying amount of segment assets	38,013.88	41,208.94	79,222.82
Capital Expenditure:			
Additions to tangible & intangible fixed assets (Including CWIP & advance)	861.47	—	861.47
Year ended March 31, 2013	India	Outside India	Total
<b>Revenue</b>			
Sales to external customers	2,966.35	68,934.38	71,900.74
<b>Other segment information</b>			
Carrying amount of segment assets	32,276.90	29,313.29	61,590.19
Capital Expenditure:			
Additions to tangible & intangible fixed assets (Including CWIP & advance)	701.36	—	701.36

### Notes:

#### Geographical Segment:

- For the purpose of geographical segment the sales are divided into two segments – India and outside India.
- The accounting policies of the segments are the same as those described in Note 2.1.

### 26. RELATED PARTY DISCLOSURES AS REQUIRED UNDER AS-18, “RELATED PARTY DISCLOSURES”, ARE GIVEN BELOW:

#### a) Names of related parties with whom transactions have taken place during the year:

##### Subsidiary company:

- Renaissance Jewelry N.Y. Inc.
- Verigold Jewellery (UK) Limited
- Renaissance Jewellery Bangladesh Private Limited
- N. Kumar Diamond Exports Limited

##### Indirect subsidiary company:

- VGJA Inc., – Subsidiary of Renaissance Jewelry N.Y. Inc.,
- Housefull International Limited - Subsidiary of N. Kumar Diamond Exports Limited
- Housefull Supply Chain Management Limited – Subsidiary of Housefull International Limited

##### Associate concerns/Companies/trust under control of key management personnel and relatives:

- Anived Trade Impex Private Limited (formerly known as Fancy Jewellery Private Limited)
- Vedani Allcomm Impex Private Limited (formerly known as Anika Jewellery Private Limited)
- Niranjan Holdings Private Limited
- Renaissance Jewellery Limited – Employee Group Gratuity Trust
- iAlpha Enterprise
- RJL – Employee Welfare Trust
- Renaissance Foundation
- Aurette Jewellery LLP



## Notes to the Financial Statements for the year ended March 31, 2014

### 26. RELATED PARTY DISCLOSURES AS REQUIRED UNDER AS-18, "RELATED PARTY DISCLOSURES", ARE GIVEN BELOW (Contd.)

**Key Management Personnel:**

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

**b) Related Party transactions:**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of transactions	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>1) Sale of goods</b>		
1) Renaissance Jewelry N.Y Inc.,	44,096.36	33,669.74
2) Verigold Jewellery (UK) Limited	3,939.77	1,020.79
3) Renaissance Jewellery Bangladesh Private Limited	790.02	0.62
4) Aurelle Jewellery LLP	0.45	—
5) Housefull International Limited	8.36	—
<b>2) Purchase of goods</b>		
1) Renaissance Jewelry N.Y. Inc.,	2,795.34	2,864.30
2) Verigold Jewellery (UK) Limited	213.91	66.31
3) Housefull International Limited	—	14.79
<b>3) Interest accrued and received</b>		
1) Housefull International Limited	—	10.49
2) Aurelle Jewellery LLP	0.12	—
<b>4) Interest accrued and paid</b>		
1) Housefull International Limited	11.66	—
<b>5) Expenses reimbursement</b>		
1) N. Kumar Diamond Exports Limited	6.69	7.81
2) Housefull International Limited	0.46	—

## Notes to the Financial Statements

### for the year ended March 31, 2014

#### 26. RELATED PARTY DISCLOSURES AS REQUIRED UNDER AS-18, "RELATED PARTY DISCLOSURES", ARE GIVEN BELOW (Contd.)

##### b) Related Party transactions (Contd.)

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>6) Investment made</b>		
<b>In equity shares</b>		
1) Renaissance Jewellery Bangladesh Private Limited	—	652.58
2) Aurelle Jewellery LLP	8.50	—
<b>7) Loan given</b>		
1) Housefull International Limited	—	400.00
2) Aurelle Jewellery LLP	12.30	—
3) RJL – Employee Welfare Trust	—	0.30
<b>8) Loan repayment received</b>		
1) Housefull International Limited	—	400.00
2) RJL – Employee Welfare Trust	—	39.00
<b>9) Loan accepted</b>		
1) Mr. Niranjan A. Shah	1,569.04	92.00
2) Mr. Sumit N. Shah	2,360.95	159.12
3) Mr. Hitesh M. Shah	169.73	15.00
4) Housefull International Limited	1,008.79	—
<b>10) Loan repaid</b>		
1) Mr. Niranjan A. Shah	721.50	110.90
2) Mr. Sumit N. Shah	1,393.12	113.92
3) Mr. Hitesh M. Shah	168.48	41.67
4) Housefull International Limited	1,008.79	—
<b>11) Donation given</b>		
Renaissance – Foundation	46.35	22.35
<b>12) Managerial remuneration</b>		
1) Mr. Niranjan A. Shah	18.09	18.09
2) Mr. Sumit N. Shah	12.09	12.09
3) Mr. Hitesh M. Shah	15.09	15.09
4) Mr. Neville R. Tata	32.09	25.16
<b>13) Guarantee Given</b>		
1) Housefull International Limited	1,700.00	1,500.00

## Notes to the Financial Statements for the year ended March 31, 2014

### 26. RELATED PARTY DISCLOSURES AS REQUIRED UNDER AS-18, "RELATED PARTY DISCLOSURES", ARE GIVEN BELOW (Contd.)

#### b) Related Party transactions (Contd.)

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>Balance as at</b>		
<b>Trade receivable</b>		
1) Renaissance Jewelry N.Y. Inc.	17,156.33	12,702.01
2) Verigold Jewellery (UK) Limited	2,744.54	543.37
3) Renaissance Jewellery Bangladesh Private Limited	517.67	—
4) Aurelle Jewellery LLP	0.45	—
5) Housefull International Limited	8.36	—
<b>Others receivable</b>		
1) Housefull International Limited	0.46	—
2) Renaissance Jewellery N.Y Inc.,	2.24	—
<b>Trade payable</b>		
1) Renaissance Jewelry N.Y. Inc.	—	50.35
2) Verigold Jewellery (UK) Limited	178.09	0.02
3) N. Kumar Diamond Exports Limited	—	7.81
<b>Others payable</b>		
RJL - Employee Group Gratuity Trust	351.79	269.19
<b>Loans and advances receivable</b>		
1) Aurelle Jewellery LLP	12.35	—
2) RJL – Employee Welfare Trust	290.38	290.38
<b>Loans and advances payable</b>		
1) Mr. Niranjana A. Shah	857.54	10.00
2) Mr. Sumit N. Shah	1,019.94	52.11
3) Mr. Hitesh M. Shah	31.63	30.38
<b>Investments</b>		
1) Renaissance Jewelry N.Y Inc.,	5,082.74	5,082.74
2) Verigold Jewellery (UK) Limited	309.72	309.72
3) Renaissance Jewellery Bangladesh Private Limited (Including application money pending allotment of ₹ 440.90 Lacs)	1,371.87	1,371.87
4) Housefull International Limited	2,500.00	2,500.00
5) N. Kumar Diamond Exports Limited	1,235.00	1,235.00
6) Aurelle Jewellery LLP	8.50	—

## Notes to the Financial Statements for the year ended March 31, 2014

### 27. LEASES

Operating Lease: Company as lessee

The Company has entered into arrangements for taking on leave and license basis certain residential/office premises and warehouses. These leases have average life of between 2 to 5 years with renewal option included in the contract. The specified disclosure in respect of these agreements is given below:

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
Future minimum rentals payable under non-cancellable operating leases are as follows:		
Charged to statement of profit and loss	72.43	73.11
Within one year	45.90	63.11
After one year but not more than five years	29.05	58.81
More than five years	48.81	53.04

### 28. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Total operations for the year		
Profit after tax	2,710.59	1,336.78
<b>Net profit for calculation of basic and diluted EPS</b>	<b>2,710.59</b>	<b>1,336.78</b>
	No. of Shares	No. of Shares
Weighted average number of equity shares in calculating basic EPS	19,079,440	19,079,440
Weighted average number of equity shares in calculating Diluted EPS	—	—
Weighted average number of equity shares in calculating basic EPS	19,079,440	19,079,440
Add : No. of convertible shares warrants	—	—
Weighted average number of dilutive potential equity shares	<b>19,079,440</b>	<b>19,079,440</b>
Basic Earnings per share	14.21	7.01
Diluted Earnings per share	14.21	7.01

### 29. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

	3.52	3.38
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### 30. CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debts:

i) Guarantees given to banks against credit facilities extended to indirect subsidiary company	1,700.00	1,700.00
ii) Penalty levied by the Custom Authorities	3.11	3.11
iii) Income Tax demand disputed in appeal: Disputed by the Department	92.58	92.58
iv) Disputed demand by Custom Authorities	21,322.24	21,322.24
	<b>23,117.93</b>	<b>23,117.93</b>

(The contingent liabilities, if materialised, shall entirely be borne by the company, as there is no likely reimbursement from any other party.)

## Notes to the Financial Statements for the year ended March 31, 2014

### 30. CONTINGENT LIABILITIES (Contd.)

The company has received a demand of Customs Duty along with the penalty amounting to ₹ 16,754.90 Lacs from the Commissioner of Customs, Chhatrapati Shivaji International Airport, Mumbai (Customs), alleging that the import of finished jewellery for remaking is not a permitted activity for an unit in SEEPZ SEZ and hence chargeable to Customs duty. Further, the Commissioner has also preferred an appeal to CESTAT for levy of interest of ₹ 2,283.67 Lacs along with penalty amounting of ₹ 2,283.67 Lacs on the said Customs Duty considering the issue is currently sub-judice and under litigation in the Bombay High Court, management has disclosed the demand of ₹ 21,322.24 Lacs as a contingent liabilities.

### 31. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

#### a) Forward contract outstanding as at Balance Sheet date:

Particulars	Purpose
Forward Contract to sell US \$ US \$ 424.81 Lacs (March 31, 2013: US \$ 281.50 Lacs) ₹ 25,509.97 Lacs (March 31, 2013: ₹ 15,324.86 Lacs)	Forward contract against future order (Revenue Stream)
Forward Contract to buy US \$ US \$ 17.05 Lacs (March 31, 2013: US \$ Nil) ₹ 1,023.85 Lacs (March 31, 2013: ₹ Nil)	Forward contract against foreign currency trade payables

#### b) Particulars of unhedged foreign currency exposure as at the reporting date:

	March 31, 2014		March 31, 2013			
		In Lacs	In Lacs	In Lacs	In Lacs	
Trade receivables	USD	572.27	34,364.52	USD	413.98	22,537.18
Secured loans	USD	414.90	24,914.95	USD	332.24	18,086.96
Trade Payables	USD	183.88	11,042.24	USD	119.20	6,489.10
	EUR	0.25	20.48	EUR	0.71	49.18
	GBP	0.01	1.48	GBP	—	—
	CHF	0.12	8.21	CHF	—	—
	JPY	1.12	0.66	JPY	—	—
Balance with Banks	USD	3.69	221.52	USD	0.51	27.82

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
--	-----------------------------	-----------------------------

### 32. LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARIES IN WHICH DIRECTORS ARE INTERESTED

#### Housefull International Limited

Balance as at year end	—	—
Maximum amount outstanding during the year	—	400.00
The repayment schedule for the above loan is of 4 months		



## Notes to the Financial Statements for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>33. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT 2006*</b>		
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
– Principal amount due to micro and small enterprises	3.11	2.90
– Interest due on above	—	—
b) The amount of interest paid by the buyer in terms of section 16 of the Micro and Small Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	—	—
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006.	—	—
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	—	—
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section	—	—
* The company has initiated the process of identification of suppliers registered under Micro and Small Enterprise Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at balance sheet date.		
<b>34. VALUE OF IMPORTS CALCULATED ON CIF BASIS</b>		
Raw materials (Includes Goods in transit)	41,744.75	23,542.50
Consumable, Tools and Spares	730.13	597.12
Capital goods	198.82	132.48
	<b>42,673.70</b>	<b>24,272.10</b>
<b>35. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)</b>		
Others	64.71	124.33
	<b>64.71</b>	<b>124.33</b>

	March 31, 2014		March 31, 2013	
	% of total consumption	₹ In Lacs	% of total consumption	₹ In Lacs
<b>36. IMPORTED AND INDIGENOUS RAW MATERIALS/STORES AND SPARES CONSUMED</b>				
Imported	51.86%	42,624.78	44.71%	24,357.57
Indigenous	48.14%	39,573.01	55.29%	30,121.63
	<b>100.00%</b>	<b>82,197.79</b>	<b>100.00%</b>	<b>54,479.20</b>

Consumption of raw materials includes consumption on account of manufacturing of samples.

## Notes to the Financial Statements for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>37. EARNINGS IN FOREIGN EXCHANGE (ACCRUAL BASIS)</b>		
Exports at F.O.B. Value	96,483.87	68,852.48
	<b>96,483.87</b>	<b>68,852.48</b>

### 38. EMPLOYEE STOCK PURCHASE SCHEME ("ESPS 2008")

A maximum 720,000 options can be granted under the plan. Employees who acquire shares under "ESPS 2008" would not be able to transfer such shares during the lock in period. The shares as per the scheme are issued at market price and hence there is no employee compensation expense. (Market price based on average of the two weeks high and low price of the share preceding the grant date on the Stock Exchange with highest trading volumes in that period).

### 39. ACCOUNTING FOR GOLD ON LOAN

The Company has taken gold on loan from various banks. The said gold has been alloyed and the jewellery is sold or in the process of manufacture. The value of purchase is initially taken on the basis of the Gold price Index on the date of purchase. The final value of purchase is recorded on the date of repayment of the loan or on final price confirmation of gold loan agreed with the bank with the difference of purchase amount being recorded to gold rate difference account.

As at year end the price of unfixed Gold loan and the corresponding inventory of gold is recorded at the closing price as per the Gold price Index.

The closing stock of Raw Materials-Gold includes Gold valued at ₹ 333.93 Lacs (March 31, 2013 : ₹ 250.13 Lacs) taken on loan from Banks under the EXIM-Gold Loan Scheme.

### 40. PREVIOUS YEAR FIGURES

Previous year's figures are regrouped/rearranged/recast wherever considered necessary.

As per our report of even date  
**For J. K. Shah & Co.**  
Chartered Accountants  
Firm Registration No. 109606W  
**Sanjay A. Gandhi**  
Partner  
Membership No. 48570

Place: Mumbai  
Date : May 23, 2014

For and on behalf of the board of directors of  
**Renaissance Jewellery Limited**

**Niranjan A. Shah**  
Executive Chairman  
**Ghanashyam M. Walavalkar**  
Company Secretary

Place: Mumbai  
Date : May 23, 2014

**Sumit N. Shah**  
Managing Director

**Hitesh M. Shah**  
Executive Director

**Dilip B. Joshi**  
Chief Financial Officer



## Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Holding Company's Interest in the Subsidiary Companies

Sr. No.	Name of subsidiary companies	N. Kumar Diamond Exports Ltd. (NKDEL)	Housefull International Ltd. (HFIL)	Housefull Supply Chain Management Ltd. (HSCML)	Renaissance Jewelry N.Y. Inc. * (RJNY)	VGJA Inc ** (VGJA) from Jan 01, 2014	Verigold Jewellery (UK) Ltd. *** (VGUK)	Renaissance Jewellery Bangladesh Pvt. Ltd. **** (RJBPL)
(1)	The Financial Year of the Subsidiary Companies ended on	Mar 31, 2014	Mar 31, 2014	Mar 31, 2014	Mar 31, 2014	Mar 31, 2014	Mar 31, 2014	Mar 31, 2014
(2)	Date from which it became a Subsidiary	Jan 20, 2011	Jan 20, 2011	Jan 20, 2011	Sep 12, 2007	Jan 1, 2014	Jun 19, 2009	Apr 13, 2011
(3)	Reporting Currency	INR	INR	INR	USD	USD	GBP	BDT
	Shares of the Subsidiary Companies held by the Company on the above stated dates :							
A.	(a) Nos. of Equity Shares	6,500,000	30,000,000 (through NKDEL)	50,000 (through HFIL)	100	100	450,000	1,479,366
	(b) Face Value	₹ 10/-	₹ 10/-	₹ 10/-	At par	At par	£ 1/-	BDT 100/-
	(c) Extent of holding	100%	100%	100%	100%	100%	100%	100%
B.	(a) Nos. of Preference Shares	—	25,000,000	—	—	—	—	—
	(b) Face Value	—	₹ 10/-	—	—	—	—	—
	(c) Extent of holding	—	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, 2014	—	—	—	—	—	—	—
	(b) Not Dealt with in the accounts of the Company for the year ended March 31, 2014	(19.86)	155.14	(0.27)	391.14	1.68	58.44	(68.21)
(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	1,419.22	(2,250.27)	(2.98)	2,518.59	1.68	(169.46)	(314.61)
<b>Statement containing brief financial details of the Company's subsidiaries for the year ended March 31, 2014 pursuant to exemption under Section 212 (b) of the Companies Act, 1956 relating to subsidiary companies.</b>								
(6)	Capital	650.00	5,500.00	5.00	7,206.00	0.60	449.10	1,666.46
(7)	Reserve	1,399.36	(2,095.13)	(3.25)	1,732.10	1.66	(159.26)	(444.96)
(8)	Total Assets	70.68	5,147.29	2.98	33,666.68	174.68	3,303.72	1,913.12
(9)	Total Liabilities	1,022.26	1,744.17	1.23	24,730.84	172.42	3,013.88	691.62
(10)	Current Investments	3,000.94	1.75	—	2.26	—	—	—
(11)	Turnover	583.48	11,270.79	—	58,298.39	144.84	3,920.62	1,698.44
(12)	Profit/(Loss) before Taxation	(19.96)	155.14	(0.27)	696.33	1.89	73.62	(68.21)
(13)	Provision for Taxation	(0.10)	—	—	305.19	0.21	15.18	—
(14)	Profit/(Loss) after Taxation	(19.86)	155.14	(0.27)	391.14	1.68	58.44	(68.21)
(15)	Proposed Dividend	—	—	—	—	—	—	—

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 subsidiary 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 646,593/-. The Company has reported profit of ₹ 391.14 Lacs.

\*\* VGJA has reported a profit of USD 2,767/-. The Company has reported profit of ₹ 1.68 Lacs.

\*\*\* Verigold Jewellery (UK) Ltd has reported a profit of GBP 60,606/-. The Company has reported profit of ₹ 58.44 Lacs.

\*\*\*\* Renaissance Jewellery Bangladesh Pvt. Ltd. has reported a loss of BDT 8,628,171/-. The Company has reported loss of ₹ 68.21 Lacs.

# Independent Auditor's Report

To,  
The Board of Directors  
**Renaissance Jewellery Limited**

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Renaissance Jewellery Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit & Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting principles generally accepted in India including Accounting Standards notified under the Companies Act, 1956 of India (the "Act") read with the General Circular No. 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements

that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements/consolidated financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of cash flows of the Group for the year ended on that date.

## Other Matters

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 5,183.19 lacs as at March 31, 2014, the total revenue of ₹ 5,619.06 lacs and cash inflows amounting to ₹ 374 lacs for the year ended on that date. The financial statements of these subsidiaries have been prepared in accordance with accounting policies generally accepted in their respective countries and have been audited by other auditors who have submitted their audit opinions prepared under generally accepted auditing standards of their respective countries. The Management of the Company has converted these audited financial statements of the Company's subsidiaries to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. Our opinion, thus, insofar it relates to amount included in respect of these subsidiaries, is

based solely on the reports of other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion undertaken by the management examined by us on a test basis.

We have relied on the reviewed/management certified financial statements of one of the subsidiary and associate whose financial statements reflect total assets of ₹ 33,749.41 lacs as at March 31, 2014, the total revenue of ₹ 58,337.94 lacs and cash inflows amounting to ₹ 1,303.50 lacs for the year ended on that date. These financial statements have been certified and approved by the Board of Directors of the said subsidiary and our report in so far as it relates to the amounts included in respect of the said subsidiary is based solely on such reviewed/approved financial statements.

We draw attention to Note No. 30 to the financial statements in respect to the litigation in relation to service tax payable on lease rent of immovable properties amounting to ₹ 184.13 lacs for which no provision has been made in the books as the matter is currently sub

judice and pending final decision by the Honourable Supreme Court of India. Pending final outcome of the said litigation, liability, if any, which may arise on the Company is presently not ascertainable and accordingly no provision has been considered necessary by the management in these financial statements.

Our opinion is not qualified in respect of other matters.

**For J. K. Shah & Co.**  
Chartered Accountants  
Registration No. 109606W

**Sanjay A. Gandhi**  
Partner  
Membership No: 048570

Place: Mumbai  
Date: May 23, 2014





# Consolidated Balance Sheet

## as at March 31, 2014

	NOTES	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	1,907.94	1,907.94
Reserves and Surplus	4	35,481.49	30,578.71
		<b>37,389.43</b>	<b>32,486.65</b>
Minority Shareholder Interest (net)		0.31	—
<b>NON-CURRENT LIABILITIES</b>			
Long-term provision	5	248.83	159.08
		<b>248.83</b>	<b>159.08</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	6	34,199.29	24,193.88
Trade payables	7	20,174.93	15,557.94
Other Current liabilities	7	1,387.77	789.77
Short-term provisions	5	523.93	459.08
		<b>56,285.92</b>	<b>41,000.67</b>
<b>TOTAL</b>		<b>93,924.49</b>	<b>73,646.40</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill on consolidation		943.05	943.05
Fixed assets			
Tangible assets	8	7,336.95	7,111.95
Intangible assets	8	822.53	806.03
Capital work-in-progress		33.08	103.98
Non-current investments	9	10.92	10.92
Deferred tax asset (net)	10	219.00	180.53
Long-term loans and advances	11	1,865.07	1,666.61
Other non-current assets	12.2	60.76	83.22
		<b>11,291.36</b>	<b>10,906.29</b>
<b>CURRENT ASSETS</b>			
Inventories	13	48,481.20	39,702.75
Trade receivables	12.1	24,458.73	16,496.45
Cash and bank balances	14	6,111.33	4,328.63
Short-term loans and advances	11	2,151.26	1,873.63
Other current assets	12.2	1,430.61	338.65
		<b>82,633.13</b>	<b>62,740.11</b>
<b>TOTAL</b>		<b>93,924.49</b>	<b>73,646.40</b>
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our Report of even date  
**For J. K. Shah & Co.**  
 Firm Registration No. 109606W  
 Chartered Accountants

**Sanjay A. Gandhi**  
 Partner  
 Membership No. 48570

Place: Mumbai  
 Date : May 23, 2014

For and on behalf of the board of directors of  
**Renaissance Jewellery Limited**

**Niranjan A. Shah**  
 Executive Chairman

**Ghanashyam M. Walavalkar**  
 Company Secretary

Place: Mumbai  
 Date : May 23, 2014

**Sumit N. Shah**  
 Managing Director

**Hitesh M. Shah**  
 Executive Director

**Dilip B. Joshi**  
 Chief Financial Officer



# Consolidated Statement of Profit and Loss

## for the year ended March 31, 2014

	NOTES	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>INCOME</b>			
Revenue from operations	15	122,216.07	95,192.71
Other income	16	145.02	315.10
<b>TOTAL REVENUE (I)</b>		<b>122,361.09</b>	<b>95,507.81</b>
<b>EXPENSES</b>			
Cost of materials consumed		78,664.79	50,532.73
(Increase)/decrease in inventories		(9,672.95)	3,103.48
Purchase of traded goods		18,974.65	17,235.55
Employee benefits expense	17	8,645.84	8,965.42
Other expenses	18	19,539.44	11,044.49
<b>TOTAL (II)</b>		<b>116,151.77</b>	<b>90,881.67</b>
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		6,209.32	4,626.14
Depreciation and amortization expense	19	1,201.17	1,053.48
Finance costs	20	1,167.31	1,276.59
<b>PROFIT BEFORE TAX</b>		<b>3,840.84</b>	<b>2,296.07</b>
<b>TAX EXPENSES</b>			
Current tax		1,023.74	601.56
Less : MAT credit entitlement		(111.00)	—
Net Current tax expenses		912.74	601.56
Deferred tax		(19.10)	131.06
Short/(Excess) Provision of tax relating to earlier years		—	20.21
MAT of earlier year tax		—	66.15
<b>TOTAL TAX EXPENSE</b>		<b>893.64</b>	<b>818.98</b>
Less : Share of Minority Interest		(1.19)	—
<b>PROFIT AFTER TAX FOR THE YEAR</b>		<b>2,948.39</b>	<b>1,477.09</b>
Earning per equity share [nominal value of share ₹ 10] (March 31, 2013 ₹ 10)	28		
<b>BASIC</b>		₹ 15.45	₹ 7.74
<b>DILUTED</b>		₹ 15.45	₹ 7.74
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our Report of even date  
**For J. K. Shah & Co.**  
 Firm Registration No. 109606W  
 Chartered Accountants  
**Sanjay A. Gandhi**  
 Partner  
 Membership No. 48570

Place: Mumbai  
 Date : May 23, 2014

For and on behalf of the board of directors of  
**Renaissance Jewellery Limited**

**Niranjan A. Shah**  
 Executive Chairman

**Ghanashyam M. Walavalkar**  
 Company Secretary

**Sumit N. Shah**  
 Managing Director

**Hitesh M. Shah**  
 Executive Director

**Dilip B. Joshi**  
 Chief Financial Officer

Place: Mumbai  
 Date : May 23, 2014



# Consolidated Cash Flow Statement

## for the year ended March 31, 2014

	March 31, 2014 ₹ In Lakhs	March 31, 2013 ₹ In Lakhs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,840.84	2,296.07
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	1,201.17	1,053.48
Sundry balance written off	49.83	165.00
Unrealized foreign exchange loss/(gain)	623.96	149.71
Loss/(profit) on sale of fixed assets	11.16	62.63
Loss/(profit) on sale of non current investment	—	(1.67)
Interest expense	1,167.31	1,276.59
Prior Period Adjustment	—	31.43
Interest income	(81.30)	(114.47)
Dividend Income	—	(5.82)
Operating profit before working capital changes	<b>6,812.97</b>	<b>4,912.95</b>
(Increase)/decrease in Working Capital	(10,877.11)	2,485.01
Cash generated from/(used in) operations	<b>(4,064.14)</b>	<b>7,397.96</b>
Direct taxes paid (Net of refunds)	788.85	698.95
<b>Net cash flow from/(used in) operating activity (A)</b>	<b>(4,852.99)</b>	<b>6,699.01</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,703.75)	(1,851.47)
Proceeds from sale of fixed assets	520.94	57.54
Proceeds from sale/maturity of non-trade investments	—	162.34
Proceeds of Minority Shares	1.50	—
Redemption/maturity of bank deposits (having original maturity of more than three months)	(127.10)	(85.79)
Interest received	69.69	111.17
Dividend received	—	5.82
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(1,238.72)</b>	<b>(1,600.39)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) from/of short-term borrowing (net)	9,141.94	(2,653.63)
Interest paid	(1,171.41)	(1,272.21)
Dividend and tax on dividend paid on Equity Shares	(223.22)	(332.62)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>7,747.31</b>	<b>(4,258.46)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,655.60</b>	<b>840.15</b>
Cash and cash equivalents at the beginning of the year	3,993.40	3,153.25
<b>Cash and cash equivalents at the end of the year</b>	<b>5,649.00</b>	<b>3,993.40</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on hand	54.04	72.78
With banks		
— on current account	5,360.56	3,856.24
— on deposit account	230.21	57.04
— on unpaid dividend account *	4.19	7.34
<b>Cash and Cash Equivalents (Refer note 14)</b>	<b>5,649.00</b>	<b>3,993.40</b>
* The Company can utilize these balances only towards the settlement of the respective unpaid dividend.		
Summary of significant accounting policies	2.1	

As per our Report of even date  
**For J. K. Shah & Co.**  
 Firm Registration No. 109606W  
 Chartered Accountants

**Sanjay A. Gandhi**  
 Partner  
 Membership No. 48570

Place: Mumbai  
 Date : May 23, 2014

For and on behalf of the board of directors of  
**Renaissance Jewellery Limited**

**Niranjan A. Shah**  
 Executive Chairman

**Ghanashyam M. Walavalkar**  
 Company Secretary

Place: Mumbai  
 Date : May 23, 2014

**Sumit N. Shah**  
 Managing Director

**Hitesh M. Shah**  
 Executive Director

**Dilip B. Joshi**  
 Chief Financial Officer

# Consolidated Notes to the Financial Statements

## for the year ended March 31, 2014

### 1. CORPORATE INFORMATION

Renaissance Jewellery Limited (“the company”) along with its majority wholly owned and controlled subsidiaries (“the Group”) is engaged in the manufacturing and selling of diamond studded jewellery which are majorly sold in countries like USA, Hongkong, etc. In addition, one subsidiary “Housefull International Limited” is engaged in the business of furniture retail.

### 2. BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

#### 2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Principles of Consolidation

- (i) The Consolidated Financial Statements comprise financial statements of Renaissance Jewellery Limited (“the Holding Company”), its subsidiaries referred in Note (iii) below (“the Group”). Subsidiaries are those companies in which Renaissance Jewellery Limited, directly or indirectly, has an interest of more than one half of voting power or otherwise has power to exercise control over the composition of the Board of Directors. Subsidiaries are consolidated from the date on which effective control is transferred to the Group to the date such control exists.
- (ii) The consolidated financial statements have been prepared in accordance with Accounting Standard 21 “Consolidated financial Statements” notified under sub-section (3C) of section 211 of the Companies act, 1956 and other relevant provisions of the Companies act, 1956. These relates to Renaissance Jewellery Limited (“the Company”), and its subsidiaries (“the Group”). The consolidated financial statements have been prepared on the following basis:
- (iii) The subsidiaries of the Holding Company considered in the consolidated financial information are as given below:

Sr. No.	Name of the Company	Relationship	Country of Incorporation	% of Group Holding as at March 31, 2014	% of Group Holding as at March 31, 2013
1.	Renaissance Jewelry New York Inc. *	Subsidiary	USA	100%	100%
2.	Verigold Jewellery (UK) Limited #	Subsidiary	United Kingdom	100%	100%
3.	N. Kumar Diamond Exports Limited	Subsidiary	India	100%	100%
4.	Renaissance Jewellery Bangladesh Private Limited #	Subsidiary	Bangladesh	100%	100%
5.	Renaissance Adrienne LLC @@ (Subsidiary of Renaissance Jewelry New York Inc.)	Subsidiary	USA	—	85%
6.	VGJA Inc @@@(Subsidiary of Renaissance Jewelry New York Inc.)	Subsidiary	USA	100%	—
7.	Housefull International Limited (Subsidiary of N. Kumar Diamond Exports Limited)	Subsidiary	India	100%	100%
8.	Housefull Supply Chain Management Limited (stepdown subsidiary of N. Kumar Diamonds Exports Limited)	Subsidiary	India	100%	100%
9.	Aurette Jewellery LLP	Associate	India	85%	—

\* Approved by the management and review by other auditor.

# Audited by other auditors.

@ Amalgamation with parent company.

@@ Ceased to be subsidiary of Renaissance Jewelry New York Inc with effect July 01, 2012.

@@@Inducted as a subsidiary of Renaissance Jewelry New York Inc with effect Jan 01, 2014.

## Consolidated Notes to the Financial Statements for the year ended March 31, 2014

- (iv) 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 Notes.

The activities of the foreign subsidiaries are not an integral part of those of the Holding Company and hence, these have been considered to be Non-Integral foreign operations in terms of Accounting Standard 11 – "The Effects of Changes in Foreign Exchange Rates". Consequently, the assets and liabilities, both monetary and non-monetary, of such subsidiaries have been translated at the closing rates of exchange of the respective currencies as at March 31, 2014; income and expenses have been translated at average rate of exchange which approximates the actual exchange rate and Exchange Difference arising on translation of financial statements as above is recognized in the Foreign Currency Translation Reserve.

All inter-company transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated.

The financial statements of the subsidiaries used for the purpose of consolidation are drawn upto the same reporting date as that of the Holding Company i.e. March 31, 2014.

### Other Accounting Policies

#### (a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future periods.

#### (b) Tangible fixed assets

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

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

Gains or losses arising from de recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### (c) Depreciation/Amortization

Depreciation is provided based on the estimated useful life of the asset which has been determined by the management which coincides with those prescribed under the Schedule XIV to the Companies Act 1956.



## Consolidated Notes to the Financial Statements for the year ended March 31, 2014

The group uses the same rates of depreciation for all the subsidiaries except as follows:

Sr. No.	Name of the Company and Description of Assets	Method	Useful Life of Assets/ Depreciation rates	Proportion of Gross Block
1.	<b>Renaissance Jewelry New York Inc.</b>			} 10.17%
	Leasehold Improvements	S.L.M.	64 months	
	Furniture and Fittings	S.L.M.	7 years	
	Safe	S.L.M.	5 years	
	Office Equipment	S.L.M.	5 years	
	Computers	S.L.M.	5 years	
	Telephone & Mobile	S.L.M.	5 years	
2.	<b>Verigold Jewellery (UK) Ltd.</b>			} 0.08%
	Computer	S.L.M.	25.00%	
	Furniture & Fixture	S.L.M.	25.00%	
3.	<b>Housefull International Limited</b>			} 17.93%
	Air Conditioner	S.L.M.	4.75%	
	Office Equipment	S.L.M.	4.75%	
	Computers	S.L.M.	16.21%	
	Furniture & Fixture	S.L.M.	6.33%	
	Electrical Installation	S.L.M.	6.33%	
	Vehicles	S.L.M.	9.50%	
4.	<b>Renaissance Jewellery Bangladesh Private Limited</b>			} 9.53%
	Air Conditioner	S.L.M.	20.00%	
	Vehicles	S.L.M.	20.00%	
	Computer	S.L.M.	20.00%	
	Electrical Installations	S.L.M.	10.00%	
	Furniture and fittings	S.L.M.	10.00%	
	Building	S.L.M.	5.00%	
	Office Equipments	S.L.M.	20.00%	
	Plant and machinery	S.L.M.	10.00%	

Further in respect of assets built on leasehold land or leasehold premises, if the life as per Schedule XIV is more than the balance period of lease as per lease term the asset shall be written off over the balance period of lease.

Leasehold Land is amortized on a straight line basis over the period of lease i.e. 24 years.

Fixed assets costing ₹ 5,000 or less are depreciated fully in the year of acquisition.

### (d) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



## Consolidated Notes to the Financial Statements for the year ended March 31, 2014

A summary of amortization policies applied to the company's intangible assets is as below:

Name of Company	Nature of Intangible asset	Method	Useful Life of Assets/ Depreciation rates
Renaissance Jewellery Limited	Computer Software	S.L.M.	20%
Renaissance Jewelry New York Inc.	Goodwill/Customer Rights	S.L.M.	15 years

**(e) Impairment of tangible and intangible assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**(f) Leases**

**Company is the lessee**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

**(g) Investments**

Investments that are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(h) Inventories**

Cut & Polished Diamonds	Polished diamonds are valued at lower of cost or net realizable value. Cost is ascertained on lot-wise weighted average basis.
Raw materials	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on specific identification basis. Cost of raw materials comprises of cost of purchase and other cost in bringing the inventory to their present location and condition excluding refundable taxes and duties.
Work-in-progress and Finished goods	Lower of cost and net realizable value. Cost includes direct materials, labour and proportionately all other cost related to converting them into finished goods. Cost is determined on specific identification basis.
Stores and spares	Stores and spares are valued at lower of cost or net realizable value. The cost is computed on moving weighted average.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

# Consolidated Notes to the Financial Statements

## for the year ended March 31, 2014

### Housefull International Limited

Closing stock includes traded goods like furniture and accessories. Such finished goods are valued at lower of cost and net realizable value. Cost of finished goods is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessarily to make the sale.

### Renaissance Jewelry New York Inc.

Inventories of loose diamonds and finished jewellery are stated at the lower of cost or market, with cost being determined by specific identification or by average cost.

#### (i) **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

##### **Sale of Goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

### Housefull International Limited

Revenue is recognized when the property in the goods, agreed to be sold, is transferred i.e. when billing is done, accepted and the entire amount is collected. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

##### **Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

##### **Dividends**

Revenue is recognised when the shareholders' right to receive payment is established by the reporting date.

#### (j) **Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.



## Consolidated Notes to the Financial Statements for the year ended March 31, 2014

**(k) Foreign currency translation**

Foreign currency transactions and balances

**(a) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(b) Conversion**

Foreign currency monetary items are reported using the closing rate.

**(c) Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**(d) Forward Contracts**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

**(l) Retirement and other employee benefits**

Parent Company/Indian Subsidiaries

- a. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- b. Gratuity liability is a defined benefit obligation. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method.
- c. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.
- d. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Renaissance Jewelry New York Inc.

The company, since incorporated in the USA, has followed the law of that country and has established a 401(k) saving plan (the 'Plan'). At the discretion of the company, the Plan provides for the company's contributions based on eligible amounts contributed to the Plan by its participants. For the year ended March 31, 2014, the company did not make any contribution to this Plan.

# Consolidated Notes to the Financial Statements

## for the year ended March 31, 2014

### (m) Income taxes

#### Parent Company/Indian Subsidiaries

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

#### Renaissance Jewelry New York Inc.

Income tax and deferred tax is recognized based on the tax laws of USA.

The company provides for income tax based on differences between the financial statement and tax bases of assets and liabilities at the enacted rates in effect in the year in which the differences are expected to reverse.

Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

For the tax purpose, Adrienne is treated as partnership, whereby income is taxed directly to the members. Thus, no provision for federal and state income tax has been made by Adrienne, since such taxes are the responsibilities of the members.



## Consolidated Notes to the Financial Statements for the year ended March 31, 2014

**(n) Segment Reporting Policies**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**(o) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(p) Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(q) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Renaissance Jewelry New York Inc.

Contingent Assets are neither recognized nor disclosed.

**(r) Cash and Cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(s) Employee Stock Purchase Plan**

The Company records employee share purchase plan in accordance with the Guidance Note on Accounting for Employee Share based Payment issued by ICAI. The shares as per the scheme are issued at market price and hence there is no employee compensation expense.

**(t) Measurement of EBITDA**

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956*, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

## Consolidated Notes to the Financial Statements for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>3. SHARE CAPITAL</b>		
Authorized shares		
27,000,000 (March 31, 2013 : 27,000,000) equity shares of ₹ 10/- each	2,700.00	2,700.00
Issued, subscribed and fully paid-up shares		
19,079,360 (March 31, 2013 : 19,079,360) equity shares of ₹ 10/- each	1,907.94	1,907.94
	<b>1,907.94</b>	<b>1,907.94</b>

### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

#### Equity shares

	March 31, 2014		March 31, 2013	
	No. of Shares	₹ In Lacs	No. of Shares	₹ In Lacs
At the beginning of the year	19,079,360	1,907.94	19,079,360	1,907.94
Issued during the year	—	—	—	—
<b>Outstanding at the end of the year</b>	<b>19,079,360</b>	<b>1,907.94</b>	<b>19,079,360</b>	<b>1,907.94</b>

Of the above, 720,000 Equity Shares of ₹ 10/- each fully paid-up have been issued during the period of five years immediately preceding the reporting date to RJL – Employee Welfare Trust pursuant to Employee Stock Purchase Scheme.

### b. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2014, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 1.00. (March 31, 2013: ₹ 1.00).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity share held the shareholders.

### c. Details of shareholders holding more than 5% shares in the company

	March 31, 2014		March 31, 2013	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of ₹ 10 each fully paid up				
Mr. Niranjana A. Shah	2,607,040	13.66	5,214,080	27.33
Mr. Sumit N. Shah	4,171,120	21.86	4,171,120	21.86
Mr. Hitesh M. Shah	1,303,520	6.83	1,303,520	6.83
Mrs. Kalpana N. Shah	1,274,380	6.68	1,088,308	5.70
Niranjana Family Private Trust	2,607,040	13.66	—	—

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## Consolidated Notes to the Financial Statements for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>4. RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Money received against equity share warrants forfeited, option not exercised by warrants holders	380.00	380.00
	<b>380.00</b>	<b>380.00</b>
<b>Securities Premium Account</b>		
Balance as per the last financial statements	7,128.62	7,128.32
Add : Addition on ESPS's exercised	—	0.30
	<b>7,128.62</b>	<b>7,128.62</b>
<b>Foreign Currency Translation Reserve</b>	<b>3,205.84</b>	<b>2,442.64</b>
Balance as per the last financial statements	2,442.64	110.45
Add/(Less) : Additions during the year	763.20	2,332.19
	<b>3,205.84</b>	<b>2,442.64</b>
<b>General reserve</b>		
Balance as per the last financial statements	599.00	1,281.00
Add : Amount transferred from surplus balance in the statement of profit & loss	68.00	34.00
Less : Amount adjusted pursuant to the scheme of amalgamation	—	(716.00)
	<b>667.00</b>	<b>599.00</b>
<b>Hedging Reserve</b>		
Hedging reserve account (Refer note 21)	1,414.47	—
	<b>1,414.47</b>	<b>—</b>
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	20,028.42	18,777.81
Adjustment of Goodwill pursuant to amalgamation	—	(0.69)
Prior year adjustment	—	31.43
Profit for the year	2,948.39	1,477.09
Less : Appropriations		
Proposed final equity dividend (amount per share ₹ 1.00 (March 31, 2013 ₹ 1.00))	190.79	190.79
Tax on proposed equity dividend	32.43	32.43
Transfer to general reserve	68.00	34.00
Total appropriations	<b>291.22</b>	<b>257.22</b>
Net surplus in the statement of profit and loss	<b>22,685.59</b>	<b>20,028.42</b>
<b>Total reserves and surplus</b>	<b>35,481.49</b>	<b>30,578.71</b>

	Long-term		Short-term	
	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>5. PROVISIONS</b>				
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer note 24)	139.13	79.86	235.56	209.38
Provision for Leave salary	109.70	79.22	34.54	26.48
	<b>248.83</b>	<b>159.08</b>	<b>270.10</b>	<b>235.86</b>
<b>Other provisions</b>				
Proposed equity dividend	—	—	190.79	190.79
Provision for tax on proposed equity dividend	—	—	32.43	32.43
Provision for Tax (Net of Advances)	—	—	30.61	—
	—	—	<b>253.83</b>	<b>223.22</b>

# Consolidated Notes to the Financial Statements

## for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>6. SHORT-TERM BORROWINGS</b>		
Working Capital Finance from banks denominated in Foreign Currency (secured)*	30,919.95	20,808.95
Working Capital Finance from banks denominated in Indian Currency (secured)*	35.71	455.34
Buyers credit from banks in foreign currency (secured)*	313.74	709.50
Interest free loan from related parties repayable on demand (unsecured)	2,929.89	1,138.24
Loan from third parties#	—	1,081.85
	<b>34,199.29</b>	<b>24,193.88</b>

\* *Renaissance Jewellery Limited*

(The Working Capital Loan is secured by first charge on pari passu basis by way of hypothecation and/or pledge of company's current assets both present and future, by way of joint equitable mortgage of Company's factory premises situated at Plot Nos. 36A and 37 (Mumbai), at Plot No. 2302 (Bhavnagar) and office premises situated bearing no CC9081 with car parking situated at Bharat Diamond Bourse and hypothecation of machinery and plant, furniture and fixtures, electrical installations, office equipments, erected and installed therein and by personal guarantee of some of the directors/promoters. The working capital finance is generally having tenure of 180 days. The Foreign currency loans carries interest rate @ LIBOR plus 2% to 4.5% and Indian currency Loans carries interest rate @ 10% to 12%.)

\* *Housefull International Limited*

(Cash credit & Buyers credit from Banks are secured by hypothecation of inventories and book debts, both present and future. Further, collaterally secured by mortgage of immovable property of Holding and Ultimate holding companies, corporate guarantees of Holding and Ultimate holding companies and personal guarantees of some of the Directors. Foreign currency loans carries interest rate @ LIBOR plus 250 or minus 350 bps and Indian currency Loans carries interest rate @ lending bank's base rate plus 5.25%.

# These unsecured loans were obtained from third parties and were repayable on demand. Loans in Indian currency carry an interest rate of 9%.

\* *Renaissance Jewelry New York Inc.*

The company has a credit facility with a bank for its working capital requirements. The same is secured by substantially all assets of the company and various guarantees. The bank is also the loss payee on the company's jeweler's block policy. Interest on these borrowings is calculated as a function of the Banks prime rate or LIBOR. The facility contains various restrictive covenants.

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>7. TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>		
Trade payable	20,174.93	15,557.94
<b>Other liabilities</b>		
Interest accrued but not due on gold loan	1.46	5.56
Salaries, wages and others	1,061.52	525.55
Investor Education and Protection Fund will be credited by following amount (as and when due)		
Unpaid dividend	4.19	7.34
<b>Other payables</b>		
Statutory dues payable	320.56	250.74
Bank overdraft as per books	0.04	0.58
	<b>1,387.77</b>	<b>789.77</b>
	<b>21,562.70</b>	<b>16,347.71</b>

# Consolidated Notes to the Financial Statements for the year ended March 31, 2014

## 8. TANGIBLE AND INTANGIBLE ASSETS

₹ in lacs

	TANGIBLE ASSETS											INTANGIBLE ASSETS		
	Land	Factory Building	Non-Factory Building	Plant & Equipment	Electrical Installations	Office Equipment	Computers	Furniture and fixtures	Vehicles	Leasehold Improvements	Total (Tangible)	Computer Software	Goodwill	Total Intangible Assets
<i>Cost or valuation</i>														
At April 01, 2012	200.25	1,697.56	367.30	3,004.03	1,020.55	1,048.67	624.67	2,060.58	325.37	918.68	11,267.67	256.12	1,088.80	1,344.92
Additions	-	2.55	3.49	265.17	44.17	233.31	47.19	174.71	149.25	48.95	968.79	60.58	-	60.58
Acquired on Amalgamation	-	34.29	-	43.04	22.24	33.95	5.17	47.58	-	79.08	265.35	-	-	-
Disposals	-	-	-	(53.94)	(2.90)	(85.22)	(0.25)	(12.56)	(36.42)	-	(191.29)	-	-	-
At March 31, 2013	200.25	1,734.40	370.79	3,258.30	1,084.06	1,230.71	676.78	2,270.31	438.20	1,046.71	12,310.52	316.70	1,088.80	1,405.50
Additions	-	137.44	36.40	533.00	30.90	118.41	58.84	114.49	52.97	570.31	1,652.76	100.86	-	100.86
Acquired on Amalgamation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	-	69.50	-	45.07	16.14	15.69	1.67	25.70	2.86	(29.46)	147.17	-	112.20	112.20
Disposals	-	-	-	(137.13)	(11.05)	(137.85)	(27.19)	(29.87)	(21.37)	(417.71)	(782.17)	-	-	-
At March 31, 2014	200.25	1,941.34	407.19	3,699.24	1,120.05	1,226.96	710.10	2,380.63	472.66	1,169.85	13,328.28	417.56	1,201.00	1,618.56
<i>Depreciation</i>														
At April 01, 2012	32.12	638.88	49.92	1,158.89	307.85	357.64	479.46	741.40	169.09	375.97	4,311.22	164.36	308.49	472.85
Charge for the year	3.65	60.17	16.04	244.61	68.37	67.94	68.15	222.71	54.68	120.60	926.92	54.03	72.59	126.62
Acquired on Amalgamation	-	30.37	-	0.07	0.03	0.05	0.02	0.09	-	0.09	30.72	-	-	-
Disposals	-	-	-	(10.83)	(0.40)	(22.40)	(0.04)	(2.86)	(33.77)	-	(70.30)	-	-	-
At March 31, 2013	35.77	729.42	65.96	1,392.74	375.85	403.23	547.59	961.34	190.00	496.66	5,198.56	218.39	381.08	599.47
Charge for the year	3.65	85.53	20.84	299.91	77.95	104.46	73.41	209.39	64.22	103.95	1,043.31	77.22	80.66	157.88
Acquired on Amalgamation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	-	(0.18)	-	(0.31)	(0.08)	(0.07)	(0.03)	0.33	(0.03)	(0.10)	(0.47)	-	38.68	38.68
Disposals	-	-	-	(60.80)	(5.47)	(24.69)	(25.54)	(23.31)	(19.40)	(90.86)	(250.07)	-	-	-
At March 31, 2014	39.42	814.77	86.80	1,631.54	448.25	482.93	595.43	1,147.75	234.79	509.65	5,991.33	295.61	500.42	796.03
<b>Net Block</b>														
At March 31, 2013	164.48	1,004.98	304.83	1,865.56	708.21	827.48	129.19	1,308.97	248.20	550.05	7,111.95	98.31	707.72	806.03
At March 31, 2014	160.83	1,126.57	320.39	2,067.70	671.80	744.03	114.67	1,232.88	237.87	660.20	7,336.95	121.95	700.58	822.53



# Consolidated Notes to the Financial Statements

## for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>9. NON-CURRENT INVESTMENTS</b>		
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted Equity Instruments</b>		
i) Equity Shares of ₹ 10/- each of Anived Trade Impex Private Limited (formerly known as Fancy Jewellery Private Limited) (Nos. of Equity Shares Nil PY : 1)	—	—
ii) Equity Shares of USD 1/- each of Verigold.com Ltd. (Nos. of Equity Shares 1 PY : 1)	0.92	0.92
iii) Equity Shares of ₹ 10/- each of Saraswat Co-op Bank Ltd. (Nos. of Equity Shares 10 PY : 10)	—	—
<b>Investments in Mutual Funds (Unquoted-Non Trade)</b>		
i) SBI PSU Fund of ₹ 10/- each (Nos. of units 100,000 PY : 100,000)	10.00	10.00
	<b>10.92</b>	<b>10.92</b>
Aggregate amount of unquoted investments	<b>10.92</b>	<b>10.92</b>
<b>10. DEFERRED TAX ASSETS (NET)</b>		
Deferred tax liability:		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	125.32	107.36
Add : Transfer pursuant to the scheme of amalgamation	—	4.36
<b>Gross deferred tax liabilities</b>	<b>125.32</b>	<b>111.72</b>
Provision for leave salary/gratuity	158.44	116.99
Provision for bonus/ex-gratia	—	22.91
Provision for Doubtful debts and advances	30.03	21.78
Unabsorbed Business Loss	—	40.75
Others	155.85	89.82
<b>Gross deferred tax assets</b>	<b>344.32</b>	<b>292.25</b>
<b>Net deferred tax asset</b>	<b>219.00</b>	<b>180.53</b>

## Consolidated Notes to the Financial Statements for the year ended March 31, 2014

	Non-current		Current	
	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>11. LOANS AND ADVANCES</b>				
<b>Capital advances</b>				
Unsecured, considered good	61.06	40.03	—	—
(A)	61.06	40.03	—	—
<b>Security deposit</b>				
Unsecured, considered good	689.02	613.93	184.06	242.50
(B)	689.02	613.93	184.06	242.50
<b>Loan and advances to related parties</b>				
Unsecured, considered good	—	—	—	—
(C)	—	—	—	—
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	—	—	938.30	356.46
(C)	—	—	938.30	356.46
<b>Other loans and advances</b>				
Advance income-tax (net of provisions)	12.56	12.56	—	204.28
Minimum Alternate Tax Credit Entitlement	812.05	701.05	—	—
Prepaid expenses	—	8.66	280.17	269.61
Balance with RJL Employee Welfare Trust (Net)	290.38	290.38	—	—
Loans to employees	—	—	28.25	58.23
Balance with statutory/government authorities	—	—	720.48	742.55
(D)	1,114.99	1,012.65	1,028.90	1,274.67
<b>TOTAL (A+B+C+D)</b>	<b>1,865.07</b>	<b>1,666.61</b>	<b>2,151.26</b>	<b>1,873.63</b>
<b>12. TRADE RECEIVABLES AND OTHER ASSETS</b>				
<b>12.1 TRADE RECEIVABLES</b>				
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	—	—	7.97	122.21
(A)	—	—	7.97	122.21
<b>Other receivables</b>				
Unsecured, considered good	—	—	24,450.76	16,374.24
Doubtful	—	—	54.44	54.44
	—	—	24,505.20	16,428.68
Provision for doubtful receivables	—	—	54.44	54.44
(B)	—	—	24,450.76	16,374.24
<b>TOTAL (A+B)</b>	<b>—</b>	<b>—</b>	<b>24,458.73</b>	<b>16,496.45</b>

## Consolidated Notes to the Financial Statements for the year ended March 31, 2014

	Non-current		Current	
	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>12.2 OTHER ASSETS</b>				
Deposits with original maturity for more than 12 months (Refer note 14)	44.84	72.04	—	—
<b>(A)</b>	<b>44.84</b>	<b>72.04</b>	<b>—</b>	<b>—</b>
<b>Unamortized expenditure</b>				
Forward contract receivable	—	—	1,417.51	332.42
<b>(B)</b>	<b>—</b>	<b>—</b>	<b>1,417.51</b>	<b>332.42</b>
<b>Others</b>				
Interest accrued on fixed deposits	15.92	11.18	13.10	6.23
<b>(C)</b>	<b>15.92</b>	<b>11.18</b>	<b>13.10</b>	<b>6.23</b>
<b>TOTAL (A+B+C)</b>	<b>60.76</b>	<b>83.22</b>	<b>1,430.61</b>	<b>338.65</b>

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>13. INVENTORIES</b>		
Raw Materials		
Gems and diamonds	9,912.93	11,956.10
Gold, Silver and others	190.84	560.21
Finished goods (Jewellery)	21,681.94	15,685.87
Traded goods (Furniture and accessories)	2,068.05	3,293.47
Traded goods (Gems and diamond)	3.18	3.18
Work-in-progress	14,063.94	7,742.12
Consumable, tools and spares	537.54	439.08
Promotional items	22.78	22.72
	<b>48,481.20</b>	<b>39,702.75</b>

## Consolidated Notes to the Financial Statements for the year ended March 31, 2014

	Non-current		Current	
	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>14. CASH AND BANK BALANCES</b>				
<b>Cash and cash equivalents</b>				
<b>Balance with banks:</b>				
On current accounts	—	—	5,360.56	3,856.24
Deposits with original maturity of less than 3 months	—	—	230.21	57.04
On unpaid dividend account	—	—	4.19	7.34
Cash on hand	—	—	54.04	72.78
<b>(A)</b>	<b>—</b>	<b>—</b>	<b>5,649.00</b>	<b>3,993.40</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months	44.84	72.04	—	—
Deposits with original maturity of more than 3 months but less than 12 months	—	—	329.43	333.43
Margin Money Deposit with banks against gold loan	—	—	132.90	1.80
	<b>44.84</b>	<b>72.04</b>	<b>462.33</b>	<b>335.23</b>
Amount disclosed under "other asset" (Refer note 12.2)	(44.84)	(72.04)	—	—
<b>(B)</b>	<b>—</b>	<b>—</b>	<b>462.33</b>	<b>335.23</b>
<b>TOTAL (A+B)</b>	<b>—</b>	<b>—</b>	<b>6,111.33</b>	<b>4,328.63</b>

# Consolidated Notes to the Financial Statements

## for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>15. REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
Jewellery	106,642.23	78,771.38
Gems and diamonds	4,294.86	5,401.07
Furniture and accessories	11,251.75	10,996.27
<b>Sale of services</b>		
Jewellery making charges	4.57	1.43
<b>Other operating revenues</b>		
Sale of Dust	3.61	10.14
Sale of Scrap	11.86	4.78
Sale of Services	7.19	7.64
<b>Revenue from operations</b>	<b>122,216.07</b>	<b>95,192.71</b>
<b>16. OTHER INCOME</b>		
Interest income on		
Bank deposits	81.27	110.60
Others	0.03	3.87
Dividend income on long term investment	—	5.82
Gain on redemption of long term investment	—	1.67
Exchange difference (net)	—	173.08
Other non-operating income	63.72	20.06
	<b>145.02</b>	<b>315.10</b>
<b>17. EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages and bonus	7,519.62	7,662.48
Contribution to provident and other funds	395.36	556.26
Gratuity expense (Refer note 24)	85.89	224.47
Leave salary	77.87	124.42
Staff welfare expenses	567.10	397.79
	<b>8,645.84</b>	<b>8,965.42</b>

## Consolidated Notes to the Financial Statements for the year ended March 31, 2014

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>18. OTHER EXPENSES</b>		
Consumption of stores and spare parts	1,273.98	1,019.24
Power and fuel	878.60	694.23
Water charges	57.26	53.87
Advertisement/Sales promotion expenses	1,300.33	882.42
Jewellery making charges	5,423.64	2,430.97
Freight and forwarding charges	307.21	252.92
Rent	1,962.40	1,735.62
Rates & Taxes	33.37	42.98
Insurance	357.88	263.76
Repairs and maintenance		
Buildings	146.95	34.70
Machinery	45.02	40.98
Others	234.28	208.01
Exchange difference (net)	3,724.60	—
Payment to auditor (Refer details below)	83.63	84.50
Loss on sale of assets	11.16	62.63
Miscellaneous expenses	3,699.13	3,237.66
	<b>19,539.44</b>	<b>11,044.49</b>
<b>Payment to auditor</b>		
<b>As auditor:</b>		
Audit fee	73.44	71.36
Tax audit fee	4.69	2.25
Limited review	4.00	6.18
<b>In other capacity:</b>		
Taxation	1.50	1.12
Reimbursement of expenses	—	3.59
	<b>83.63#</b>	<b>84.50#</b>
# Includes fees paid to other auditor ₹ 54.13 Lacs (March 31, 2013 ₹ 64.65 Lacs)		
# Includes fees paid to previous auditor ₹ Nil (March 31, 2013 ₹ 6.40 Lacs)		
<b>19. DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation of tangible assets	1,043.29	926.94
Amortization of intangible assets	157.88	126.54
	<b>1,201.17</b>	<b>1,053.48</b>
<b>20. FINANCE COSTS</b>		
Interest	1,167.31	1,276.59
	<b>1,167.31</b>	<b>1,276.59</b>



# Consolidated Notes to the Financial Statements for the year ended March 31, 2014

## 21. HEDGE

The Company has changed its accounting policy with regard to recognition of exchange differences arising on translation of Forward contract and Exchange Traded Currency Futures Contracts by following an appropriate hedge accounting policy and applying the principles set out in AS-30 "Financial Instrument: Recognition and Measurement". The Company has w.e.f. from April 01, 2013 designated Forward contract and Exchange Traded Currency Futures Contracts as hedge instrument to hedge its foreign currency risks of highly probable forecast transaction (of revenue streams) to be accounted as cash flow hedge. During the current year ended March 31, 2014, the net exchange difference gain on Forward contract and Exchange Traded Currency Futures Contracts amounting to ₹ 1,414.47 Lacs has been recognized in Hedging Reserve Account. Had this accounting treatment been not adopted by the Company, the profit (net of tax) on account of exchange difference gain for the current year would have been higher by ₹ 1,139.17 Lacs and consequently the reserves would have been lower by ₹ 275.30 Lacs.

## 22. HOUSEFULL INTERNATIONAL LIMITED

The company sells its goods at various retail outlets including e-commerce. Upon customer's selection it offers sale and delivery thereof. On acceptance of offer for sale, the price is invoiced and the sale consideration is fully collected. The relevant goods are marked for that customer. The delivery of the sold product is effected or deferred at the customer's request. The company recognises such invoices (where amount is fully collected) as sales, though the delivery is deferred at the customer's request, in terms of legal advice and applicable Accounting Standard that the sale is complete when goods are appropriated and identified upon payment.

## 23. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

### a) Forward contract outstanding as at Balance Sheet date:

Particulars	Purpose
Forward Contract to sell US \$ US \$ 424.81 Lacs (March 31, 2013: US \$ 281.50 Lacs) ₹ 25,509.97 Lacs (March 31, 2013: ₹ 15,324.86 Lacs)	Forward contract against future order (Revenue Stream)
Forward Contract to buy US \$ US \$ 17.05 Lacs (March 31, 2013: US \$ Nil) ₹ 1,023.85 Lacs (March 31, 2013: ₹ Nil)	Forward contract against foreign currency trade payables

### b) Particulars of unhedged foreign currency exposure as at the reporting date:

	March 31, 2014 In Lacs	March 31, 2014 ₹ In Lacs	March 31, 2013 In Lacs	March 31, 2013 ₹ In Lacs
Trade receivables	USD 572.27	34,364.52	USD 413.98	22,537.18
Secured loans	USD 420.13	25,228.69	USD 345.27	18,796.46
Trade Payables	USD 188.53	11,321.28	USD 124.00	6,750.26
	EUR 0.25	20.48	EUR 0.71	49.18
	GBP 0.01	1.48	GBP —	—
	CHF 0.12	8.21	CHF —	—
	JPY 1.12	0.66	JPY —	—
Balance with Banks	USD 3.69	221.52	USD 0.51	27.82

# Consolidated Notes to the Financial Statements for the year ended March 31, 2014

## 24. EMPLOYEE BENEFITS

### General Description of Defined Benefit plan

#### Gratuity

The Company operates single type of Gratuity plans wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining and eligibility terms. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Statement of Profit & Loss Account	Gratuity (Un-funded)		Gratuity (Funded)	
	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
Net Employee Benefit Expense recognized in the employee cost				
Current service cost	7.64	7.55	68.16	72.09
Interest cost on benefit obligation	1.56	1.62	25.92	36.78
Past service Cost	—	—	—	—
Expected return on plan assets	—	—	(4.69)	(11.82)
Net actuarial (gain)/loss recognised in the year	(5.62)	(9.44)	(7.60)	127.68
<b>Net Benefit Expense</b>	<b>3.58</b>	<b>(0.26)</b>	<b>81.79</b>	<b>224.73</b>
Actual Return on Plan Assets	—	—	1.87	15.20
<b>Balance sheet</b>				
Benefit asset/liability				
Present Value of defined benefit obligation	(22.90)	(19.76)	(369.94)	(323.95)
Fair value of plan assets	—	—	—	—
<b>Plan assets/(liability)</b>	<b>(22.90)</b>	<b>(19.76)</b>	<b>(369.94)</b>	<b>(323.95)</b>
<b>Changes in Present Value of Defined Benefit Obligation are as follows:</b>				
Opening defined benefit obligation	19.76	20.60	323.95	432.71
Current service cost	7.64	7.55	68.16	72.09
Interest cost	1.56	1.62	25.92	36.78
Actuarial (gains)/losses on obligation	(5.62)	(9.44)	(10.40)	131.06
Past Service Cost	—	—	—	—
Benefits paid	(0.44)	(0.58)	(37.69)	(348.67)
<b>Closing defined benefit obligation</b>	<b>22.90</b>	<b>19.76</b>	<b>369.94</b>	<b>323.95</b>

## Consolidated Notes to the Financial Statements for the year ended March 31, 2014

Changes in Fair Value of Plan Assets are as follows:	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>Opening fair value of planned assets</b>	53.97	137.44
Expected return	4.67	11.82
Actuarial gain/(loss)	(2.80)	3.38
Contributions by employer	—	250.00
Benefits paid	(37.69)	(348.67)
<b>Closing fair value of plan assets</b>	<b>18.15</b>	<b>53.97</b>

The company expects to contribute ₹ 227.57 Lacs to gratuity in the next year (March 31, 2013: ₹ 202.89 Lacs)

The major category of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
Insurance Policy		
Renaissance Jewellery Limited	100%	100%
Housefull International Limited	0%	0%

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Gratuity (Un-funded)		Gratuity (Funded)	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Discount rate	9.19%	8.00%	8.00%	8.00%
Expected rate of return on assets	NA	NA	8.70%	8.70%
Age of Retirement	58	58	60	60
Annual increase in salary cost	4.00%	8.00%	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The over all expected rate of return on assets is determined based on the market prices prevailing as on that date, applicable to the period over which the obligation is expected to be settled. There has been change in expected rate of return on assets due to change in the market scenario.

Amounts for the current and previous four period are as follows:

Gratuity:	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs	March 31, 2012 ₹ In Lacs	March 31, 2011 ₹ In Lacs	March 31, 2010 ₹ In Lacs
Defined Benefit Obligation	(374.04)	(343.71)	(432.71)	(169.62)	(304.89)
Plan Assets	18.15	53.97	137.44	172.16	182.71
Surplus/(deficit)	(355.89)	(289.74)	(295.27)	2.54	(122.18)
Experience adjustment on plan liabilities	(357.41)	(119.36)	(180.20)	(128.44)	(3.85)
Experience adjustment on plan assets	1.89	3.38	13.44	(4.70)	6.76

# Consolidated Notes to the Financial Statements for the year ended March 31, 2014

## 25. SEGMENT INFORMATION

### Business Segments:

In accordance with the principles given in Accounting Standard on Segment Reporting (AS-17) notified by Companies (Accounting Standard) Rules 2006, the Group has identified its primary business segments as “Manufacturing and sale of Jewellery” and “Furniture and accessories”.

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>Segment Revenue</b>		
Jewellery	110,945.28	84,184.03
Furniture and accessories	11,270.79	11,008.68
<b>Total</b>	<b>122,216.07</b>	<b>95,192.71</b>
<b>Segment Result</b>		
(Profit before Tax and Interest from each segment)		
Jewellery	4,800.33	3,371.48
Furniture and accessories	334.08	286.39
<b>Total</b>	<b>5,134.41</b>	<b>3,657.87</b>
Less: Interest	1,167.31	1,276.59
Unallocated (Income)/Expenditure (net)	126.26	85.21
<b>Total Profit before Tax</b>	<b>3,840.84</b>	<b>2,296.07</b>
<b>Capital Employed</b>		
(Segment Assets - Segment Liabilities)		
Jewellery	67,105.87	50,514.28
Furniture and accessories	3,572.68	5,084.13
Unallocated	(33,289.12)	(23,111.77)
<b>Total</b>	<b>37,389.43</b>	<b>32,486.64</b>
<b>Other segment information</b>		
<b>Carrying amount of segment assets</b>		
Jewellery	87,317.70	65,778.94
Furniture and accessories	4,950.30	6,383.07
Unallocated	1,656.50	1,484.38
<b>Total amount of Segment liabilities</b>		
Jewellery	20,211.82	15,264.65
Furniture and accessories	1,377.62	1,298.94
Unallocated	34,945.62	24,596.16
<b>Capital Expenditure:</b>		
Additions to tangible & intangible fixed assets (Including CWIP & advance)		
Jewellery	7,965.61	1,665.78
Furniture and accessories	122.97	186.01
<b>Depreciation and Amortisation</b>		
Jewellery	940.76	790.83
Furniture and accessories	260.41	262.65

# Consolidated Notes to the Financial Statements for the year ended March 31, 2014

## Geographical Segments:

The following table shows the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced:

Year ended March 31, 2014	India	Outside India	Total
<b>Revenue</b>			
Sales to external customers	12,869.29	109,346.78	122,216.07
<b>Other segment information</b>			
Carrying amount of segment assets	42,386.12	50,744.37	93,130.49
Capital Expenditure:			
Additions to tangible & intangible fixed assets (Including CWIP & advance)	5,798.20	2,290.38	8,088.58
<b>Year ended March 31, 2013</b>			
<b>Revenue</b>			
Sales to external customers	13,975.03	81,217.67	95,192.71
<b>Other segment information</b>			
Carrying amount of segment assets	36,123.30	36,605.21	72,728.51
Capital Expenditure:			
Additions to tangible & intangible fixed assets (Including CWIP & advance)	496.87	956.89	1,453.76

## Notes:

### Geographical Segment:

- For the purpose of geographical segment the sales are divided into two segments – India and outside India.
- The accounting policies of the segments are the same as those described in Note 2.1.

## 26. RELATED PARTY DISCLOSURES AS REQUIRED UNDER AS-18, "RELATED PARTY DISCLOSURES", ARE GIVEN BELOW:

### a) Names of related parties with whom transactions have taken place during the year

#### Associate concerns/companies/trust under control of key management personnel and relatives:

- Anived Trade Impex Private Limited (formerly known as Fancy Jewellery Private Limited).
- Vedani Allcomm Impex Private Limited (formerly known as Anika Jewellery Private Limited).
- Niranjan Holdings Private Limited.
- Renaissance Jewellery Limited – Employee Group Gratuity Trust.
- iAlpha Enterprise.
- RJL – Employee Welfare Trust.
- Renaissance Foundation.

#### Key Management Personnel:

- |                         |                       |
|-------------------------|-----------------------|
| 1) Mr. Niranjan A. Shah | 5) Mr. Amit C. Shah   |
| 2) Mr. Sumit N. Shah    | 6) Mr. Bhupen C. Shah |
| 3) Mr. Hitesh M. Shah   | 7) Mr. Dhruv Desai    |
| 4) Mr. Neville R. Tata  |                       |

# Consolidated Notes to the Financial Statements for the year ended March 31, 2014

**b) Related Party transactions:**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
<b>Nature of transactions:</b>		
<b>1) Donation given</b>		
1) Renaissance – Foundation	46.35	22.35
<b>2) Sale of goods</b>		
1) Mr. Sumit N. Shah	—	0.41
<b>3) Managerial remuneration</b>		
1) Mr. Niranjan A. Shah	18.09	18.09
2) Mr. Sumit N. Shah	12.09	12.09
3) Mr. Hitesh M. Shah	15.09	15.09
4) Mr. Neville R. Tata	32.09	25.16
5) Mr. Dhruv Desai	49.18	3.23
<b>4) Loan given</b>		
1) RJL - Employee Welfare Trust	—	0.30
<b>5) Loan repayment received</b>		
1) RJL - Employee Welfare Trust	—	39.00
<b>6) Loan accepted</b>		
1) Mr. Niranjan A. Shah	1,705.54	184.10
2) Mr. Sumit N. Shah	3,154.87	201.82
3) Mr. Hitesh M. Shah	188.73	15.00
4) Mr. Amit C. Shah	56.72	—
5) Mr. Bhupen C. Shah	173.94	3.50
<b>7) Loan repaid</b>		
1) Mr. Niranjan A. Shah	1,573.33	110.90
2) Mr. Sumit N. Shah	1,631.84	334.92
3) Mr. Hitesh M. Shah	187.48	41.67
4) Mr. Amit C. Shah	25.26	18.50
5) Mr. Bhupen C. Shah	70.25	34.40
<b>Balance as at:</b>		
Loans and advances receivable		
1) RJL – Employee Welfare Trust	290.38	290.38
Other receivable		
1) Mr. Sumit N. Shah	3.22	3.40
Loans and advances payable		
1) Mr. Niranjan A. Shah	857.54	725.33
2) Mr. Sumit N. Shah	1,886.05	363.02
3) Mr. Hitesh M. Shah	31.63	30.38
4) Mr. Amit C. Shah	33.72	2.26
5) Mr. Bhupen C. Shah	120.94	17.25
6) RJL – Employee Group Gratuity Trust	351.79	269.19



# Consolidated Notes to the Financial Statements for the year ended March 31, 2014

## 27. LEASES

### Operating Lease: company as lessee

The Company has entered into arrangements for taking on lease and license basis certain residential/office premises and warehouses. These leases have average life of between 2 to 5 years with renewal option included in the contract. The specified disclosure in respect of these agreements is given below:

	March 31, 2014 ₹ In Lacs	March 31, 2013 ₹ In Lacs
Future minimum rentals payable under non-cancellable operating leases are as follows:		
Charged to statement of profit and loss	1,886.70	1,705.36
Within one year	554.19	731.98
After one year but not more than five years	1,374.08	1,333.15
More than five years	1,263.03	1,308.18

## 28. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

<b>Total operations for the year</b>		
Profit after tax	2,948.39	1,477.09
<b>Net profit for calculation of basic and diluted EPS</b>	<b>2,948.39</b>	<b>1,477.09</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Weighted average number of equity shares in calculating basic EPS	<b>19,079,360</b>	<b>19,079,360</b>
Weighted average number of equity shares in calculating Diluted EPS	—	—
Weighted average number of equity shares in calculating basic EPS	19,079,360	19,079,360
Add : No. of convertible shares warrants	—	195,086
Weighted average number of dilutive potential equity shares	<b>19,079,360</b>	<b>19,274,446</b>
Basic Earnings per share	15.45	7.74
Diluted Earnings per share	15.45	7.74

## 29. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

	3.52	38.40
<b>30. CONTINGENT LIABILITIES</b>		
i) Claims against the Company not acknowledged as debts	5.17	4.71
ii) Penalty levied by the Custom Authorities	3.11	3.11
iii) Income Tax demand disputed in appeal :		
Disputed by the Company	—	—
Disputed by the Department	92.58	234.21
iv) Service tax on the rental of immovable property (Refer note 1)	184.13	184.13
v) Customs duty under EPCG scheme (Refer note 2)	18.70	18.70
vi) Letter of Credit opened by Bank (in lieu of security deposit)	—	62.24
vii) Disputed demand by Custom Authorities (Refer note 3)	21,322.24	21,322.24
viii) Bank Guarantees	62.12	17.23
	<b>21,688.05</b>	<b>21,846.57</b>

(The contingent liabilities, if materialised, shall entirely be borne by the company, as there is no likely reimbursement from any other party.)

## Consolidated Notes to the Financial Statements for the year ended March 31, 2014

**Note : 1** Housefull International Limited

In September 2008, the Company along with other retailers represented by "Retail Association of India" (RAI) filed a petition in the Bombay High Court seeking a declaration that the Government lacked power to levy and collect, service tax on the rental of immovable property. The Bombay High Court passed a Judgment upholding the constitutional validity of service tax levy on renting of immovable property as retrospective effect from June 01, 2007. Against the Bombay High Court Judgment, the RAI filed a Special Leave Petition ("SLP") before the Supreme Court ("SC") of India. SC has passed an interim order requiring the petitioners to deposit service tax with effect from October 01, 2011, make a pre deposit of 50% of the service tax liability for the period prior to October 01, 2011 and provide a solvent surety for the balance 50%. Considering the issue is currently sub judice and under litigation management has disclosed service tax amounting to ₹ 180 Lacs for the period prior October 01, 2011 as a contingent liability.

**Note : 2** Housefull International Limited

The Company had purchased Fixed Assets under the "Export Promotion Capital Goods Scheme" (EPCG) in year 2008-2009. As per the terms of the license granted under the scheme, the Company has undertaken to achieve export commitment of ₹ 276.02 Lacs over a period of 8 years, which expire on January 14, 2016. In the event of company being unable to execute its export obligations the Company shall be liable to pay custom duty of ₹ 18.69 Lacs and interest on the same at the rate of 15 percent compounded annually. The Company is hopeful of meeting its export obligation and accordingly no provision is required for the same in books of accounts.

**Note : 3** Renaissance Jewellery Limited

The Company has received a demand of Customs duty along with the penalty amounting to ₹ 16,754.90 Lacs from the Commissioner of Customs, Chhatrapati Shivaji International Airport, Mumbai (Customs), alleging that the import of finished jewellery for remaking is not a permitted activity for an unit in SEEPZ SEZ and hence chargeable to Customs duty. Further, the Commissioner has also preferred an appeal to CESTAT for levy of interest of ₹ 2,283.67 Lacs along with penalty amounting of ₹ 2,283.67 Lacs on the said Customs duty considering the issue is currently sub judice and under litigation in the Bombay High Court, management has disclosed the demand of ₹ 21,322.24 Lacs as a contingent liabilities.

### 31. EMPLOYEE STOCK PURCHASE SCHEME ("ESPS 2008")

A maximum 720,000 options can be granted under the plan. Employees who acquire shares under "ESPP 2008" would not be able to transfer such shares during the lock in period. The shares as per the scheme are issued at market price and hence there is no employee compensation expense. (Market price based on average of the two weeks high and low price of the share preceding the grant date on the Stock Exchange with highest trading volumes in that period).

### 32. PREVIOUS YEAR FIGURES

Previous year's figures are regrouped/rearranged/recast wherever considered necessary.

As per our Report of even date

**For J. K. Shah & Co.**

Firm Registration No. 109606W

Chartered Accountants

**Sanjay A. Gandhi**

Partner

Membership No. 48570

Place: Mumbai

Date : May 23, 2014

For and on behalf of the board of directors of

**Renaissance Jewellery Limited**

**Niranjan A. Shah**

Executive Chairman

**Ghanashyam M. Walavalkar**

Company Secretary

Place: Mumbai

Date : May 23, 2014

**Sumit N. Shah**

Managing Director

**Hitesh M. Shah**

Executive Director

**Dilip B. Joshi**

Chief Financial Officer

# ECS FORM

## RENAISSANCE JEWELLERY LTD.

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

<b>DP ID / CL ID No.:</b>
<b>LF No.:</b>

<b>No. of Shares held:</b>
----------------------------

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.  
Tel: 022-4055 1200 Fax: 022-2829 2146, Web: www.renjewellery.com Email: investors@renjewellery.com  
(CIN-L36911MH1989PLC054498)

## BALLOT FORM

(To be returned to the Scrutinizer appointed by the Company)

1. Name(s) of Member(s) :  
(Including joint-holders, if any)
2. Address of Member(s) :
3. Registered Folio No./  
DPID No./ Client ID No.\* :
4. No. of shares held :
5. I/We hereby exercise my/our vote in respect of the Ordinary Resolution(s), as specified in the Notice of the Company dated August 7, 2014 to be passed through Ballot for the business stated in the said Notice by conveying my/our assent or dissent to the said resolution in the relevant box below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors thereon		
2. Declaration of Dividend on Equity Shares		
3. Re-appointment of Mr. Niranjana A. Shah, who retires by rotation		
4. Appointment of Auditors and fixing their remuneration		
5. Appointment of Mr. Veerkumar C. Shah as an Independent Director		
6. Appointment of Mr. Vishwas V. Mehendale as an Independent Director		
7. Appointment of Mr. Anil K. Chopra as an Independent Director		
8. Appointment of Mr. Arun P. Sathe as an Independent Director		
9. Appointment of Dr. Madhavi S. Pethe as an Independent Director		
10. Re-appointment of Mr. Hitesh M. Shah as a Whole-time Director		
11. Re-appointment of Mr. Neville R. Tata as a Whole-time Director		

Place:

\_\_\_\_\_  
**Signature of Member / Beneficial Owner**

Date:

E mail: .....

Tel: .....

### INSTRUCTIONS

1. A Member desiring to exercise vote by ballot form may complete this ballot form by entering the number of shares FOR or AGAINST the particular resolution and send it to Mr. V. V. Chakradeo, a Practicing Company Secretary, the Scrutinizer appointed by the Company C/o Link Intime India Private Limited, Unit: Renaissance Jewellery Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078.
  2. Duly completed ballot form should reach the Scrutinizer on or before **5.30 p.m. on Monday, September 08, 2014**.
  3. In case of shares held by companies, trusts, societies etc., the duly completed ballot form should be accompanied by a certified true copy of Board Resolution/Authority.
  4. Unsigned ballot forms will be rejected.
  5. The Scrutinizer's decision on the validity of a ballot form will be final.
- \* Applicable to Members holding shares in dematerialized form.

## RENAISSANCE JEWELLERY LTD.

Regd. Office: 36-A & 37, SEEPZ, Andheri (E), Mumbai-400 096.  
Tel: 022-4055 1200 Fax: 022-2829 2146, Web: www.renjewellery.com  
Email: investors@renjewellery.com  
(CIN-L36911MH1989PLC054498)

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	*DP Id	
Registered address	*Client Id/Folio No.	
	e-mail Id	

I/We, being the member(s) of .....(nos.) shares of Renaissance Jewellery Ltd., hereby appoint:

- 1) .....of ..... having email id.....or failing him;
- 2) .....of ..... having email id.....or failing him;
- 3) .....of ..... having email id..... and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **25<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company, to be held on **Friday, September 12, 2014 at 3.30 p.m.** at **Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari-Vikhroli Link Road, Andheri (E), Mumbai-400 093** and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors thereon		
2. Declaration of Dividend on Equity Shares		
3. Re-appointment of Mr. Niranjan A. Shah, who retires by rotation		
4. Appointment of Auditors and fixing their remuneration		
5. Appointment of Mr. Veerkumar C. Shah as an Independent Director		
6. Appointment of Mr. Vishwas V. Mehendale as an Independent Director		

P.T.O.

## RENAISSANCE JEWELLERY LTD.

## ATTENDANCE SLIP

Regd. Office: 36-A & 37, SEEPZ, Andheri (E), Mumbai-400 096.  
Tel: 022-4055 1200 Fax: 022-2829 2146, Web: www.renjewellery.com Email: investors@renjewellery.com  
(CIN-L36911MH1989PLC054498)

DP ID*	
CLIENT ID*	

Folio No.	
No of Shares	

NAME & ADDRESS OF THE SHAREHOLDER(S): .....

.....

.....

I/We hereby record my/our presence at the **25<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company on **Friday, September 12, 2014 at 3.30 p.m.** at **Yuvraj Hall, Supremo Activity Centre, Matoshree Arts & Sports Trust, Jogeshwari-Vikhroli Link Road, Andheri (E), Mumbai-400 093.**

\_\_\_\_\_  
**Signature of the Shareholder/Proxy present**

**Notes:**

1. Please hand over the attendance slip at the entrance of the meeting venue.
2. This attendance is valid only in case shares are held on the date of meeting.
3. As per section 118(10) of the Companies Act, 2013 read with the Secretarial Standards for General Meeting issued by Institute of Company Secretaries of India **"No gifts, gift coupons or cash in lieu of gifts shall be distributed to members at or in connection with the meeting"**

\* Applicable for Investors holding shares in Electronic Form.

Resolutions	For	Against
7. Appointment of Mr. Anil K. Chopra as an Independent Director		
8. Appointment of Mr. Arun P. Sathe as an Independent Director		
9. Appointment of Dr. Madhavi S. Pethe as an Independent Director		
10. Re-appointment of Mr. Hitesh M. Shah as a Whole-time Director		
11. Re-appointment of Mr. Neville R. Tata as a Whole-time Director		

Signed this ..... day of ..... 2014

Affix  
₹ 1/-  
Revenue  
Stamp

Signature of shareholder

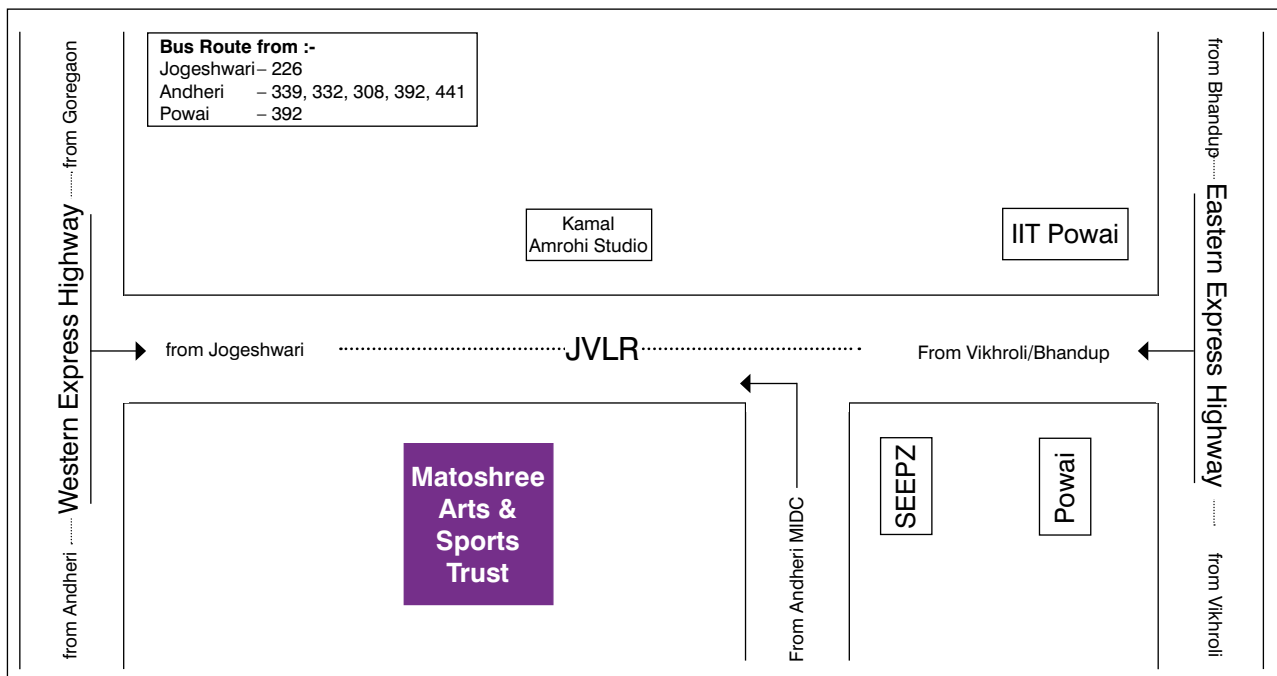
Signature of First Proxy holder

Signature of Second Proxy holder

Signature of Third Proxy holder

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**
  - A Proxy need not be a member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.
  - Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
  - In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
- \* *Applicable for investors holding shares in electronic form.*
- \*\* *This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.*





# 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.  
• Sets up Diamond Division at Mumbai.
- 2008 • Top line crosses ₹ 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 ₹ 750 crore.  
• Receives 'Emerging India Awards 2009'.
- 2010 • Sets up Unit V in SEEPZ, Andheri
- 2011 • Acquires N. Kumar Diamond Exports Ltd. along with its wholly owned subsidiaries.  
• Sets up Renaissance Jewellery Bangladesh Pvt. Ltd.  
• Sets up Unit VI in SEEPZ, Andheri  
• Sets up Domestic Division at Mumbai  
• Sets up Diamond Division at Bhavnagar  
• Acquires Caro Fine Jewellery Pvt. Ltd.  
• GJEPC Award for being the largest exporter of studded precious metal Jewellery.
- 2012 • GJEPC Award for being the largest exporter of studded precious metal Jewellery.  
• Incorporated Aurell Jewellery LLP.

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](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)